2024
Annual report

Norske Skog

Our business is by definition circular as it's based on renewable resources, aiming to replace fossil alternatives. We increasingly use recycled material. We are ***honest*** about our processes, and strive to make all aspects of our business sustainable.

The Norske Skog of tomorrow is a team effort and can only be realised through external and internal ***cooperation***.

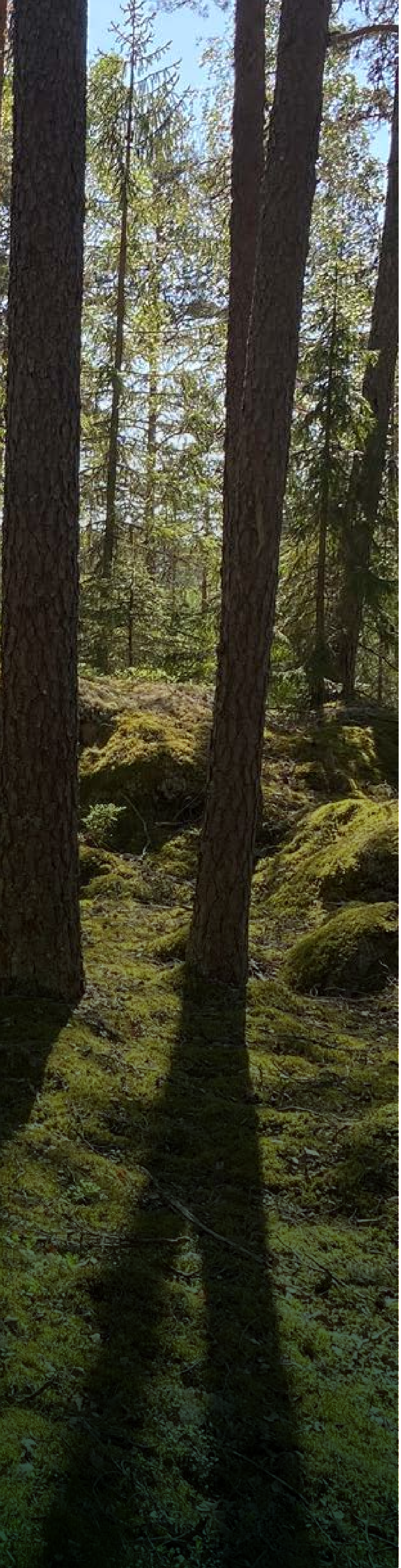
We create green value

This is something we realise through innovation, ***openness*** to new opportunities, competence and hard work. It doesn't come by itself. It's up to us.

We provide ***value*** in many meanings of the word: for society in general, for local communities, for customers, for employees, for shareholders.

Our core values: **openness, honesty and cooperation**

Photo: Carsten Dybevig



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Norske Skog Golbey, paper warehouse
Photo: Cyrielle Nussbaum

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Business units in 4 countries

Skogn, Norway
Saugbrugs, Norway
Golbey, France
Bruck, Austria
Boyer, Australia *(Discontinued in 2025)*

10 173

NOK million total operating income

736

NOK million EBITDA

91%

biomass resource inflows

99%

certified wood fibres

-70%

reduction in Scope 1 and 2 GHG-emissions between 2015 and 2024

2 101

employees

21%

female in top management positions

-54%

reduction in Scope 1 and 2 GHG-emission per tonne produced between 2015 and 2024

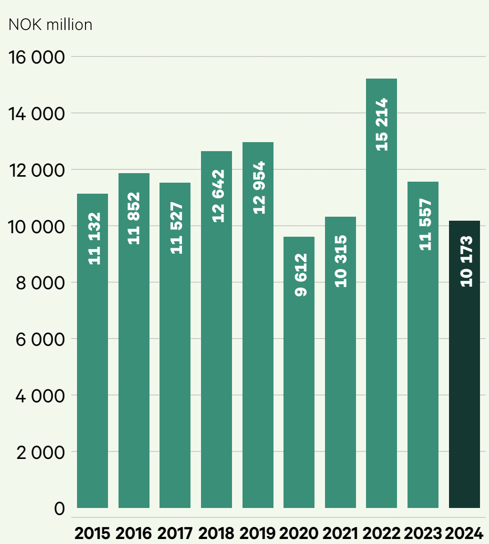
Norske Skog Bruck, paper wearhouse
Photo: Carsten Dybevig

Key figures

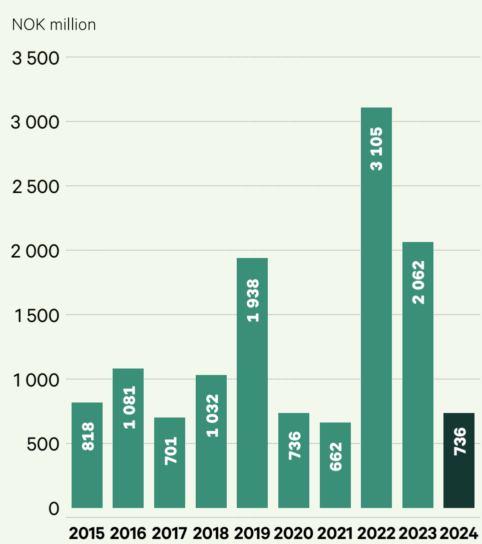
NOK MILLION (UNLESS OTHERWISE STATED)	2015	2016	2017	2018	2019	2020	2021	2022	RESTATED 2023	2024
INCOME STATEMENT										
Total operating income	11 132	11 852	11 527	12 642	12 954	9 612	10 315	15 214	11 557	10 173
EBITDA*	818	1 081	701	1 032	1 938	736	662	3 105	2 062	736
Operating earnings	19	-947	-1 702	926	2 398	-1 339	-160	2 845	934	-60
Profit/loss for the period	-1 318	-972	-3 551	1 525	2 044	-1 884	-363	2 572	481	-982
Earnings per share (NOK)	-15.53	-11.46	-41.86	17.98	24.09	-22.21	-4.28	30.31	5.67	-11.57
CASH FLOW										
Net cash flow from operating activities	146	514	404	881	602	549	191	2 040	1 928	-15
Net cash flow from operating activities per share (NOK)	1.55	5.45	4.28	9.34	6.39	5.82	2.25	24.05	22.73	-0.18
Net cash flow from investing activities	-174	-105	-278	-188	-180	302	-891	-1 956	-2 689	-1 198
OPERATING MARGIN AND PROFITABILITY (%)										
EBITDA margin*	7.30	9.10	6.10	8.20	15.00	7.70	6.42	20.41	17.85	7.23
Return on capital employed (annualised)*	5.20	8.90	6.60	14.10	28.50	2.10	-7.78	14.79	-12.50	-8.14
PRODUCTION/DELIVERIES/CAPACITY UTILISATION										
Production publication paper (1 000 tonnes)	2 366	2 506	2 494	2 492	2 310	1 800	1 921	1 713	1 024	1 124
Deliveries publication paper (1 000 tonnes)	2 356	2 520	2 491	2 485	2 285	1 825	1 952	1 714	1 040	1 115
Production/capacity publication paper (%)	85	93	93	95	89	77	89	87	80	87
Production packaging paper (1 000 tonnes)									73	164
Deliveries packaging paper (1 000 tonnes)									65	162
Production/capacity packaging paper (%)									70	89
BALANCE SHEET										
Non-current assets	9 620	7 184	4 939	4 789	5 248	4 084	4 538	7 069	9 068	10 037
Current assets	3 512	3 313	3 170	3 776	4 991	3 703	4 587	6 539	5 687	4 430
Total assets	13 133	10 497	8 109	8 565	10 240	7 787	9 125	13 609	14 755	14 467
Equity	4 729	2 090	-1 427	2 365	5 493	3 219	3 133	5 909	6 161	5 384
Net interest-bearing debt	4 528	5 038	5 717	2 268	919	725	1 054	1 092	2 590	4 119

**As defined in alternative performance measures.*

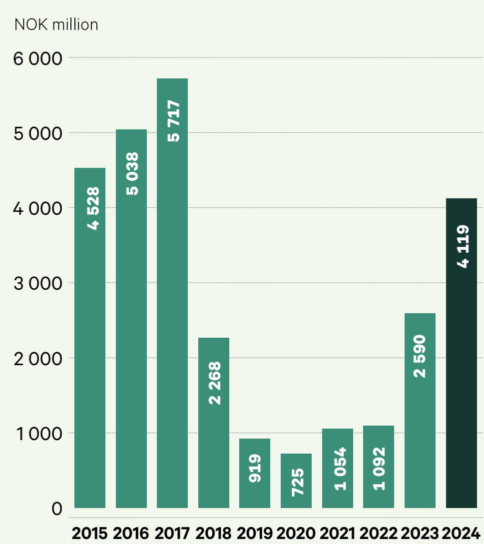
TOTAL OPERATING INCOME



EBITDA



NET INTEREST-BEARING DEBT



About Norske Skog's operations

STRATEGY

Norske Skog is a leading European producer of publication and packaging paper with a business strategy:

1. **Improve and optimise publication paper cash flows**: Enhancing efficiency and profitability in the traditional newsprint and magazine paper segments.
2. **Become a leading independent European producer of renewable packaging paper:** Expanding into recycled containerboard production with converted newsprint machines at Norske Skog Bruck and Norske Skog Golbey.
3. **Integrate vertically within the entire value chain:** Securing long-term competitiveness by controlling upstream (raw materials) and downstream (distribution) activities.

This strategy aims to transform Norske Skog into a growing, high-margin business while leveraging the existing infrastructure and expertise for sustainable growth.

OPERATIONS

Norske Skog operates four mills in Europe (Norske Skog Skogn, Norske Skog Saugbrugs, Norske Skog Bruck, and Norske Skog Golbey):

- **Publication paper:** 1.3 million tonnes annually (0.8 million tonnes newsprint, 0.5 million tonnes magazine paper) under brands like Nornews and Norcote.
- **Packaging paper:** Following conversions, Norske Skog Bruck (210 000 tonnes) and Norske Skog Golbey (550 000 tonnes, starting in 2025) will produce 760 000 tonnes of recycled containerboard (Strato brand).
- **Energy and bio-products:** Mills generate renewable energy, biogas at several mills and innovative bio-products.

The company employs 2 101 people, is headquartered in Norway, and is listed on the Oslo Stock Exchange (NSKOG). The Norske Skog Boyer mill's discontinuation in 2025 reflects a strategic shift to focus on European operations.

MARKETS

- **Publication paper:** In Europe, Norske Skog holds a 25% market share in newsprint, 9% in SC magazine paper, and 6% in LWC magazine paper. Demand decreased in 2024 (newsprint -1%, magazine paper -5%), but capacity closures have stabilised supply-demand for some grades. Prices remained steady, though raw material costs rose, offset by lower energy costs.
- **Packaging paper:** The West-European recycled containerboard market consumed 20 million tonnes in 2024, with a 3.4% demand increase. Norske Skog's Bruck mill ramps up production (full capacity by second half 2025), while Golbey's delayed start targets cost-competitive output using green energy. Margins remain pressured by industry overcapacity and rising recycled fibre costs.

MAJOR SUSTAINABILITY MATTERS

Norske Skog prioritizes sustainability, aiming for net zero emissions by 2050, aligned with the Paris Agreement. Key sustainability efforts include:

- **Carbon Footprint**: In 2024, emissions were 250 000 tCO_2e (Scope 1), 149 000 tCO_2e (Scope 2, location-based), and 810 000 tCO_2e (Scope 3), with Scope 3 (67% of total) driven by transportation (48%). The Norske Skog Boyer mill divestment will significantly reduce the group's footprint in 2025.
- **Emission reduction targets:** A 55% reduction in Scope 1 and 2 emissions per tonne by 2030 (from 2015 baseline) was 54% achieved in 2024, aided by investments like Norske Skog Bruck's waste-to-energy boiler (150 000 tCO_2e/year reduction) and Skogn's TMP line (-4 000 tCO_2e/year). Scope 3 efforts focus on shifting to low-emission transport (e.g., electric ferries at Norske Skog Skogn).
- **Renewable energy:** Mills leverage renewable sources (e.g., biomass boiler at Norske Skog Golbey, saving 200 000 tCO_2e/year), reducing fossil fuel reliance. The energy mix shifted to 34% renewable in 2024, reflecting updated ESRS accounting.
- **Circularity and innovation:** Using recycled fibre (e.g., containerboard from recovered paper) and developing bio-products enhance resource efficiency and lower emissions.

PRODUCTION CAPACITY
in tonnes/year

Business unit	Newsprint	SC (magazine paper)	LWC (magazine paper)	Packaging paper*	Total capacity
Norske Skog Bruck	-	-	200 000	210 000	410 000
Norske Skog Golbey	320 000	-	-	550 000	870 000
Norske Skog Saugbrugs	-	200 000	-	-	200 000
Norske Skog Skogn	500 000	-	-	-	500 000
Total Norske Skog group	**820 000**	**200 000**	**200 000**	**760 000**	**1 980 000**

** The listed capacity is when full production has been reached.*

A glimpse of 2024

NORSKE SKOG ON FACHPACK

FachPack is a major European trade fair for packaging, processing, and technology, held annually in Nuremberg, Germany. It serves as a key industry event for professionals in packaging solutions, including materials, machinery, logistics, and sustainability. Norske Skog had a separate exhibition presenting the new containerboard products.

Marlen van den Berg, Vice President Containerboard Sales was satisfied with the three days event:

"It was a great Fachpack! We were packed for 3 days. Great meetings, good talks and lots of interesting opportunities were discussed."

SUSTAINABILITY HONORS TO NORSKE SKOG

Norske Skog is among the 18 of Norway's 100 largest companies reducing emissions in line with the Paris Agreement, according to the PwC's Climate Index 2024. Norske Skog has cut emissions across the operations and supply chains.

Partner in PwC, Hanne Løvstad, says: "Clear climate leadership means that leaders make decisions prioritising transition and long-term competitiveness, and are willing to plan for real emission cuts both in the short and long term."

According to the report, companies that have established a climate transition plan are making greater strides. The primary drivers for emission cuts are new regulations, customer demands, and the desire to improve reputation.

Norske Skog's CEO Geir Drangsland says: "At Norske Skog, business strategy and sustainability go hand in hand. We have integrated reduction of greenhouse gas emissions as a key part of our business strategy. Together with our business partners, we can make a difference."

SUBSTANTIAL EMISSION CUTS AT SKOGN

The new thermomechanical production line (TMP) replaces expensive recycled paper with fresh fibre. More than 70% of the equipment is second-hand, reducing our carbon footprint with approximately 500 tonnes of CO2, and major cost savings. It is estimated that the fossil CO2 reduction will be around 80%. In addition, and the NOx emissions will be reduced by around 40%. The ash reduction is estimated at around 60%

"As a company, we are concerned about sustainability at every step of the value chain. The vast majority of the equipment is reused from other mills in the industry, which have chosen to close or convert their production. Our skilled employees have seen this opportunity and utilised it to create a very cost-effective project," says Håvard Busklein, Managing Director at Skogn.

ECOVADIS PLATINIUM TO SAUGBRUGS

We are proud to announce that our Norwegian mill Norske Skog Saugbrugs once again has received Platinum rating from EcoVadis!

This is a significant recognition of our ongoing commitment to sustainability, corporate social responsibility, and environmental responsibility. EcoVadis is a global rating platform that assesses companies' sustainability efforts, and Platinum is the highest distinction awarded to the top 1% of companies. We are honored to be among them!

A huge thank you to all our employees for their dedication in making Norske Skog Saugbrugs a greener and more responsible company. Together, we are building a sustainable future!

OPENING OF NEW TMP-LINE AT SKOGN

The new thermomechanical production line (TMP) at Norske Skog Skogn AS was officially opened yesterday. This was celebrated with, amongst others, Skogn employees, external companies which have contributed on the project, and the Acting Mayor of Levanger Nina Bakken Bye.

Thanks to everyone who attended to celebrate this important milestone with us! A special thanks to Norske Skog Skogn employees and external companies which have been key in order to complete this project on time and within budget!

Arild Hegdal (Process Manager), Hågen Buran (project Manager of the new steam converter) and Roger Mathisen (Project Manager of Switch) have all had vital roles in the realization of the new TMP line.

STRATO PRESENTATION AT MUNICH PAPER SYMPOSIUM

Manager Director at Bruck, Enzo Zadra, and Technical Manager, Klaus Eibl, presented the successful rebuild of paper machine 3 or the STRATO project at the International Munich Paper Symposium (IMPS) in Munich.

There were around 380 participants from 25 countries from the paper production, clothing, chemicals, mechanical engineering, electrical automation and engineering.

The project success was made possible, among other things, by the extremely close cooperation between all departments and the supplier Bellmer. The presentation was met with great interest and positive feedback from the symposium participants. In particular, the machine safety concept presented was rated by many as particularly innovative.

FROM VISION TO REALITY: NORSKE SKOG GOLBEY'S SUSTAINABLE LEAP

Norske Skog Golbey stands on the brink of commencing containerboard production on the converted newsprint machine PM1. Introducing Strato, our premium containerboard brand. Norske Skog Golbey will deliver 550 000 tonnes of containerboard alongside 330 000 tonnes of publication paper annually, all based on 100% recycled paper collected in France.

Our shift to recycled fibre is a cornerstone of our sustainable development strategy, focused on decarbonisation and leadership in the circular economy. With the BOX project, including the conversion of PM1, we've made investments that:

- Recycle nearly 1 million tonnes of paper and corrugated materials each year
- Optimise water usage
- Maximise renewable energy
- Reduce CO2 emissions, contributing to our 'Fit for 55' goal of cutting the Norske Skog Group's carbon footprint by 55% by 2030

BCTMP AT SAUGBRUGS

Norske Skog plans to enter the pulp market, and initiated a main study aiming to enter the bleached chemi-thermomechanical pulp (BCTMP) market by starting production at Norske Skog Saugbrugs in Halden. The new BCTMP line will produce approximately 300 000 tonnes of competitive pulp to meet the growing demand, especially for products in the packaging market.

"It is gratifying for equipment suppliers, lenders, wood and other raw materials suppliers, shareholders, and customers that we are investing in and establishing a plant for bleached chemi-thermomechanical pulp at Saugbrugs. But those who have the most reason to rejoice, are our employees at Saugbrugs," says Norske Skog's CEO Geir Drangsland.

Norske Skog Saugbrugs has adequate access to green energy, and thus will continue to deliver products with very low carbonfootprint. Norske Skog Saugbrugs will continue to be a reliable supplier of SC-publication paper also after the start of BCTMP production. The net investment in BCTMP production will range between NOK 1.5 to 2 billion (EUR 140-180 million). The construction period is expected to last for two years starting in the second half of 2025.

MEETING WITH THE NORWEGIAN MINISTER OF TRADE AND INDUSTRY

The Norwegian government invited 100 leading business leaders to a conference and workshop at Kuben School in Oslo to discuss how to strengthen Norway's industrial competitiveness and at the same time developing a zero emission industry.

During a panel discussion with Minister of Trade and Industry, Cecilie Myrseth, Carsten Dybevig, VP of Communication and Public Affairs at Norske Skog, outlined four key strategies to boost Norway's energy-intensive industries:

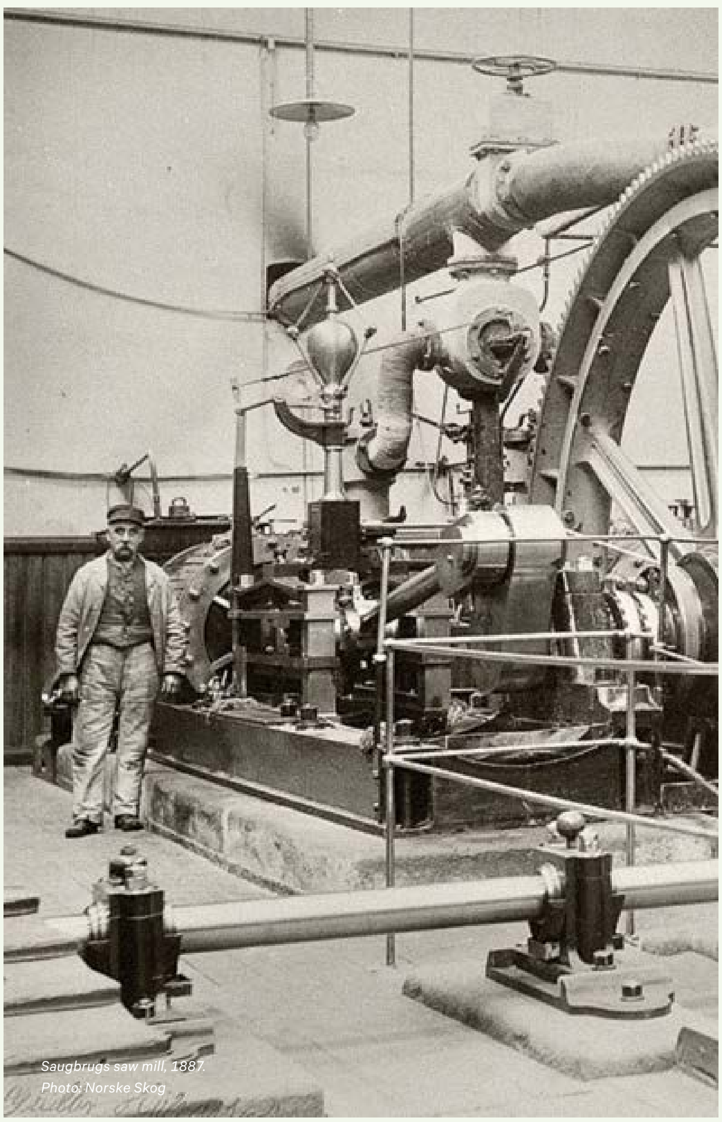
- Secure competitive power contracts for industrial players
- Prioritize energy efficiency to release more energy for other uses
- Maintain the CO2 compensation scheme (offsetting the CO2 surcharge in energy prices) to prevent carbon leakage
- Enhance investment incentives for the green mainland industry

The history of Norske Skog

Norske Skog was established in 1962, but our Boyer, Bruck and Saugbrugs mills have been in operation much longer. Until the 1990s, the company grew in Norway, acquiring businesses in pulp, paper and wood-based construction materials.

Through the nineties, Norske Skog expanded internationally, first with the construction of a mill in France and later through acquisitions of other newsprint and magazine paper companies all over the world. The activities within other paper grades, market pulp, energy and construction materials were sold off. In recent years, the company has entered into the recycled containerboard market, and several projects related to energy and bio products.

As of 2024, Norske Skog has five mills in four countries and is one of the world's largest producers of publication paper to newspapers, magazines, periodicals and for advertising purposes. Norske Skog is listed on the Oslo Stock Exchange, and had 2 101 employees at year-end 2024.


Saugbrugs saw mill, 1887.
Photo: Norske Skog

Expansion in Norway 1970 - 1990

1962

Norske Skog was established by Norwegian forest owners. The purpose was to exploit timber resources in central Norway, and a newsprint mill was built at Skogn, starting production in 1966.

Global expansion 1991 - 2005

1992

Expansion outside Norway, Start-up of production in Golbey in France, our first business outside of Norway.

1996-1997

Purchase of paper mills in Austria and the Czech Republic.

2000

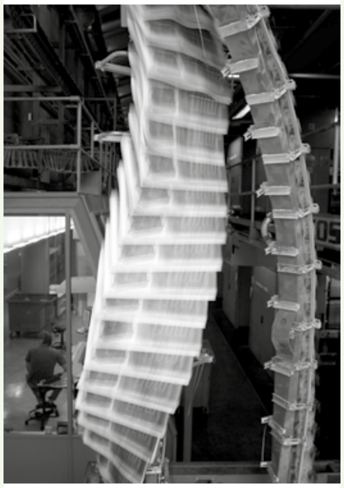
Sale of pulp mills in Norway. Purchase of Fletcher Challenge Paper in New Zealand, a firm with operations in Australasia, South America, Canada and Asia.

2001

Purchase of mills in Germany and the Netherlands. Comprehensive restructuring of the business, and divestment of activities outside the defined core area of newsprint and magazine paper.

Comprehensive restructuring **2006 - 2014**

2006
Five newsprint machines shut down, shares in the Canadian business sold.



2008
Sale of two mills in South Korea, sale of property, shut-down of two paper machines in Europe.

2009
Sale of two mills in China, shut-down of one paper machine in Europe.

2012
Sale of two mills in Chile and the Netherlands, shut-down of Follum paper mill in Norway.

2013
Sale of two mills in Brazil and Thailand. Two machines idled at Norske Skog Tasman in New Zealand and Norske Skog Walsum in Germany.

2014
Ramp-up of a converted newsprint machine to LWC-products at Norske Skog Boyer in Australia.

Financial restructuring **2015 - 2018**

2015
Closure of the Walsum mill in Duisburg, Germany.

2017
The Royal Highness King Harald of Norway officially opened new biogas facility at Saugbrugs.

Norske Skogindustrier ASA was delisted from the Oslo Stock Exchange, and the mill portfolio continued by Norske Skog AS.

2018
New beginning with Oceanwood purchasing the shares in Norske Skog AS, which included all the mills.

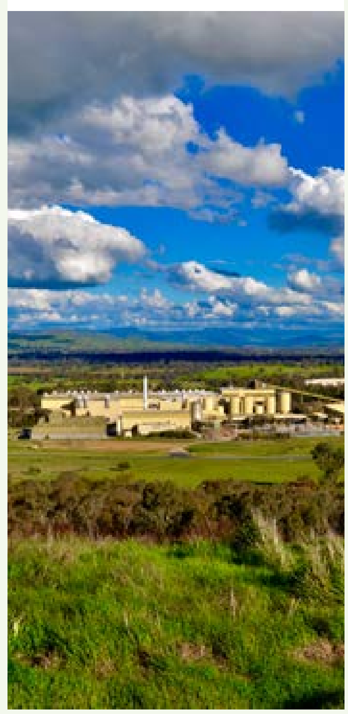
New beginning **2019 - 2021**

2019
New three-leg strategy within publication paper, packaging paper, and bio and energy related products.

Norske Skog ASA was listed on the Oslo Stock Exchange.

2020
Sale of the Norske Skog Albury mill in Australia and the forest in Tasmania. Establishing commercial activities within nanocellulose and expansion in biopellets.

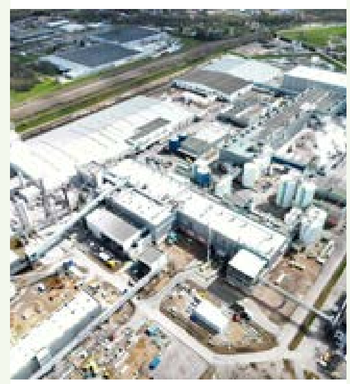
2021
Closure of the Norske Skog Tasman mill in New Zealand. Expansion into biocomposites and starting construction of a waste-to-energy plant at Norske Skog Bruck. Financing the conversion of two newsprint machines at Norske Skog Bruck, and Norske Skog Golbey into containerboard production.



Execution of **new strategy**

2022
Sale of Nature's Flame 90 000 tonnes pellets facility in New Zealand. Start-up waste-to-energy plant at Norske Skog Bruck. At Norske Skog Saugbrugs, a 500 tonnes bio-composite pilot plant was officially opened by the Norwegian Trade and Industry Minister Jan Chr. Vestre. During 2022, the Norwegian based Byggma AS and Drangsland Kapital AS became the largest shareholder group in Norske Skog.

2023
Norske Skog Bruck commenced recycled packaging paper production in the first quarter of 2023. The production capacity of containerboard at Norske Skog Bruck will be 210 000 tonnes per year. Oceanwood sold all of its shares in Norske Skog.



2024
At Norske Skog Skogn, a new thermomechanical pulp (TMP) line was commenced, substituting long-transported recovered paper with local fresh fibre, thus reducing the CO2- and nitrogen emissions. The Green Valley Energie (GVE) joint venture at Norske Skog Golbey started production at the largest bio energy plant of its kind in France.

2025
At Norske Skog Golbey, the converted newsprint machine (PM1) will start commercial production of containerboard. Norske Skog Boyer will be discontinued in 2025.

Transforming Norske Skog – the opening of Golbey's packaging paper line

2025 will mark a historic milestone for the company. The completion and commissioning of the converted newsprint line into a new packaging paper line (PM1) at our Golbey mill in France represent the single largest investment in the company's history since 1962, at a cost of EUR 320 million. This bold move is a testament to our commitment to innovation, sustainability, and market diversification.

A TRANSFORMATIVE INVESTMENT

The new 550 000 tonnes packaging paper line at Norske Skog Golbey is a game changer. Designed to meet the growing global demand for sustainable packaging solutions, this facility positions Norske Skog as a key player in the European packaging market. The investment underscores our dedication to reducing dependency on traditional newsprint products while capitalising on emerging market opportunities.

Golbey's strategic location provides it with significant competitive advantages. Situated in the heart of Europe, the mill benefits from excellent access to key markets, an abundant supply of raw materials, and a highly skilled workforce. Additionally, the integration of the new line with the mill's existing and newly built bioenergy capabilities enhances operational efficiency and supports our sustainability goals.

While the project faced challenges, including budget overruns, the successful completion of the packaging paper line signals a new era for Norske Skog. This investment reflects our determination to evolve and thrive in a changing industry landscape.

GLOBAL CHALLENGES AND LOCAL RESILIENCE

The past year has been characterized by significant global uncertainties, including heightened political tensions, volatile energy markets, and the ongoing impact of climate change. These factors have created challenging conditions for the pulp and paper industry. However, Norske Skog has proven its ability to adapt and respond effectively.

Energy costs and supply chain disruptions have been particular areas of focus. We have prioritised investments in renewable energy and energy efficiency, such as the 50 MW incineration plant at Norske Skog Bruck and our participation in France's largest bioenergy plant, which boasts a capacity of 125 MW. These initiatives not only mitigate energy cost volatility but also reinforce our commitment to sustainability.

For 2024, EU also introduced a new ESG reporting framework to ensure transparency and integrity in our operations. This framework emphasizes the prevention of green washing and highlights Norske Skog's genuine commitment to environmental, social, and governance principles. By holding ourselves to higher standards, we aim to build trust with stakeholders and reinforce our reputation as a responsible industry leader.

ACKNOWLEDGING OUR EMPLOYEES

It is an important management task to challenge all the mills. The competitors are improving their competitiveness so we should do the same, or even more. Such changes are never easy, but they were undertaken with careful consideration and a focus on long-term sustainability. Despite these challenges, our employees have demonstrated extraordinary resilience and dedication. Their hard work and adaptability have been instrumental in navigating this transitional period.

We extend our deepest gratitude to all our team members in 2024 across Europe and Australasia. Your efforts have ensured that Norske Skog remains a trusted partner for our customers and a valued member of the communities in which we operate. Training programs, diversity initiatives, and community engagement have been key to maintaining a strong and inclusive culture during these times of change.

ACKNOWLEDGING NORSKE SKOG BOYER AND A TRANSITION TO EUROPE

As we move into 2025, Norske Skog will bid farewell to its Australian operations with the sale of the Boyer mill. This marks the end of an era and the conclusion of 25 years of ownership. We extend our heartfelt gratitude to the Boyer team for their outstanding contributions and dedication over the years. Their efforts have been vital in shaping Norske Skog's legacy as a global leader in the pulp and paper industry.

While Norske Skog will no longer have operations outside Europe, we remain committed to serving customers worldwide. The sale aligns with our strategic focus on strengthening our European operations, where we see significant opportunities for growth and innovation.

LOOKING AHEAD

As we move forward, Norske Skog is well-positioned to embrace new opportunities. The packaging paper line at Norske Skog Golbey is a cornerstone of our strategy to diversify and grow, ensuring the company's relevance and competitiveness in a dynamic market. Our commitment to sustainability, innovation, and operational excellence will continue to guide our efforts.

With the dedication of our employees, the strength of our leadership team, and the support of our stakeholders, we look ahead with optimism. Together, we will shape a future defined by innovation, resilience, and sustainability, strengthening Norske Skog's position as an important supplier in the global pulp and paper industry.

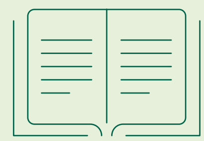
Geir Drangsland
CEO

We create green value from sustainable fibre and energy for the benefit of all stakeholders.

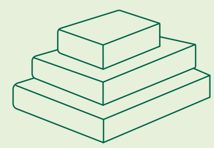

Photo: Carsten Dybevig

“Together, we will shape a future defined by innovation, resilience, and sustainability, strengthening Norske Skog’s position as an important supplier in the global pulp and paper industry.

STRATEGY



Publication paper
Improve and optimise publication paper cash flows



Packaging paper
Become an independent and leading European producer of renewable packaging paper

Intergration
Intergrating vertically in the entire value chain

OPERATIONAL EFFICIENCY AMBITIONS

Achieve an EBITDA margin over the cycle	+15%	*Achieved in 2024, 7.2%*
Maintain an operating rate of	95%	*Achieved in 2024, 87%*

Optimism among the Golbey BOX-project team

Norske Skog has begun test runs of packaging paper at the Norske Skog Golbey mill, marking a historic milestone in the transition toward sustainable packaging. The NOK 4 billion investment has converted a newsprint machine to produce 550 000 tonnes of recycled packaging paper annually, strengthening Norske Skog's position as a leading independent supplier in Europe. With commercial production set for early 2025, the project aligns with rising demand for eco-friendly packaging and will significantly enhance the company's long-term value and environmental impact. Here are 12 interviews with employees working close to the conversion of PM1.

VIRGINIE STRIBICK

Ensuring food contact safety certification for Golbey's new containerboard was Virginie Stribick's main responsibility. She structured the process into three key steps: selecting compliant chemicals, implementing procedures and training, and conducting independent lab analyses. "This thorough preparation reflects our commitment to providing high-quality corrugated paper," she explains.

Her focus is now on achieving a seamless transition to high-quality, certified production that meets market expectations. She emphasizes the importance of producing corrugated paper in the right quantity, quality, and within deadlines to secure profitability. "I hope we will soon produce corrugated paper that meets our customers' expectations," she says, highlighting the importance of a strong EBITDA to safeguard jobs.

YAN VASSART

With a rich career spanning decades in the paper industry, Yan Vassart has played a crucial role in several major projects, from the PM2 launch in 1997 to rebuilds in Australia and the Netherlands. His expertise in conversions and containerboard made him a natural fit for the Golbey Box project in 2019. As project lead, he leveraged his experience with both Valmet and Voith technologies to oversee the transformation of PM1. "It was a nice return to my starting point, 18 years later!" he reflects.

Looking ahead, Vassart is confident in the success of Testliner/Fluting production at Golbey, emphasizing that it presents different but manageable challenges compared to newsprint. With the added advantage of learning from Bruck's operations, he trusts the operational team to navigate issues such as stickies and food contact requirements. "I have full faith in our operational team on site!" he states, underscoring his optimism for the future.

ROMAIN LOUIS

Romain Louis focused on optimising truck turnaround, managing storage, and commissioning the automated DEMAG warehouse. "I coordinated the work, the commissioning, and the startup of the automated warehouse," he notes.

His future goal is to enhance logistics as a competitive advantage. "I look forward to fully applying my logistics skills to support this market entry," he states.

ROMUALD OLRY & GAËLLE STEIN

Together, Romuald Olry and Gaëlle Stein played a hands-on role in dismantling, relocating, and refurbishing equipment, including the rewinder and guillotine. They also identified workflow improvements in the Finishing area. Beyond technical tasks, they maintained the workspace, ensuring a safe and efficient environment. "We put in a lot of hands-on effort sweeping, painting, and even deep cleaning," they say.

Both eagerly anticipate the rewinder's return to operation, aiming to contribute fully to Golbey's success. "Our partnership worked well, allowing us to complete these tasks in close coordination with our managers," they affirm.

GRÉGORY GUILLAUME

Tasked with overseeing the installation and startup of Reeler 5 and the MSB Line, Grégory Guillaume had to anticipate operational challenges without prior firsthand experience of the machines. He worked extensively on procedures, maintenance planning, and SAP structuring. "This type of project requires going beyond your usual responsibilities," he notes.

Now stepping into the role of technician for the new Valmet reeler, his goal is to ensure optimal operator support and interdepartmental collaboration. Excited for the future, he is eager to push performance boundaries. "I'm especially looking forward to the day when our machine breaks the speed record and reaches 3 000 m/min!" he enthuses.

CLARISSE VOIRIN
A machine operator, Clarisse Voirin was deeply involved in PM1's transformation, from equipment dismantling to auxiliary refurbishments. She also completed training for the new machine and contributed to circuit verifications during I/O checks. "I was involved in activities related to the lockout and tagging of equipment," she notes.

At just 25, she sees this project as a crucial step in securing the future of Golbey and her own career. "I'd love to build my career here because working on the machine is something I truly enjoy," she shares.

THOMAS GILBERT
Joining in September 2023 as an Instrument Technician, Thomas Gilbert quickly adapted, working on equipment revisions, I/O checks, and troubleshooting. "The key challenge was to maintain and promote functional standards," he explains.

Looking ahead, he hopes to see Golbey establish itself as a European leader in packaging production. "What I expect from Norske Skog Golbey is for our Business Unit to become a leading player in Europe in the packaging market," he states.

THIERRY DUBOIS
From PM1 Assistant Area Manager to overseeing commissioning, Thierry Dubois played a key role in structuring Golbey's future production organisation. "I acted as the link between the BOX project and the operations of the Business Unit," he explains.

He hopes for a smooth startup and for Golbey to regain its position as a European leader. "We have all the assets to achieve this, with a brand-new, state-of-the-art machine ready to meet this ambitious challenge," he asserts.

CHRISTOPHE GALLAUZIAUX
Initially disheartened by project delays, Christophe Gallauziaux found renewed motivation as PM1 took shape. He utilised downtime to deepen his understanding of the new equipment and engaged in commissioning activities. "It wasn't easy to stay motivated while doing things like painting, cleaning, and safety rounds," he admits.

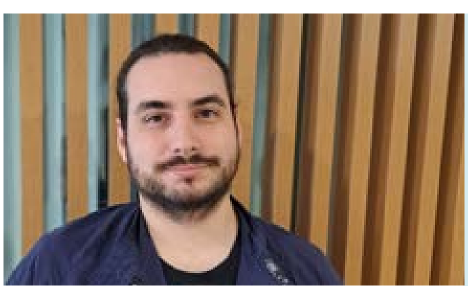
With 27 years at Golbey, he is committed to its future, emphasizing teamwork and resilience. "We have the skills and now, the machine. It's just waiting to be put into action!" he declares, advocating for strong employee involvement.

CYRIL ARTUSO
As the EAI OCC/DRUM/STEP responsible, Cyril Artuso focused on electrical safety, coordination, and commissioning. His role balanced deadlines, quality, and cost considerations. "My role is to ensure that the EAI progresses safely, quickly, efficiently, and within budget," he summarizes.

He hopes for Golbey's long-term financial success, ensuring optimal work conditions and employee development. "I hope our site will continue to develop and become a true 'cash machine," he remarks.

FLORENT SIMEON
As HSE Supervisor, Florent Simeon integrated safety into the BOX project, supervising worksites and supporting risk prevention strategies. "Together, we did everything possible to ensure that safety remained the priority," he affirms.

He envisions Golbey as a model industrial site, emphasizing values like openness, honesty, and teamwork. "By perpetuating these principles, we will consolidate our achievements and evolve in harmony with our environment and colleagues," he says.



PIERRE-FÉLIX VERDIE
Initially working on OCC processes, Pierre-Félix Verdie later took charge of commissioning in this sector. Collaborating with key managers, he ensured the project's final stages were well-executed. "Together, we form the operational trio managing the end of the project for OCC," he says.

He expects a smooth ramp-up, ensuring an efficient transition to operational status. "It is crucial that the commissioning of the facilities takes place under the best conditions," he emphasizes, reinforcing the plant's reliability and performance.

Norske Skog Golbey, winder
Photo: Carsten Dybevig

Norske Skog Golbey

conversion from newsprint to packaging paper

Here are some pictures from the Norske Skog Golbey conversion of paper machine (PM1) from newsprint to packaging paper. Films that follow the development of Golbey industrial site can be seen on Norske Skog's LinkedIn account.

Photo: Carsten Dybevig

Photo: Carsten Dybevig

Photo: Carsten Dybevig

Photo: Carsten Dybevig

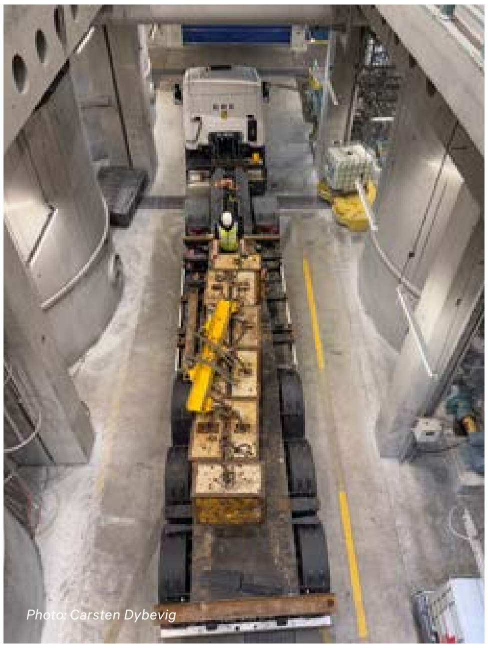


Photo: Carsten Dybevig


Photo: Carsten Dybevig


Photo: Carsten Dybevig


Photo: Carsten Dybevig


Photo: Carsten Dybevig


Photo: Nuit Blanche Production

Board of directors

ARVID GRUNDEKJØN (1955)
Chair since 2023, Board member since 2018

Current election period: Elected Board member on 20 April 2023, for a two-year period (2023-2025)

Independent: Yes

Residence: Oslo, Norway

Education: Executive programme, Harvard Business School (USA), Master of Law, University of Oslo (Norway), Master of Business and Economics, Norwegian School of Economics (Norway)

Position: Investor and professional board member

Directorships: Currently on different boards of directors, ao. Chair of Infima AS, Chair of Creati Estate AS, Chair of Cardid AS, Chair of Stiftelsen Fullriggeren Sørlandet

Shares in Norske Skog ASA:
Owns and/or controls 101 617 shares

CHRISTOFFER BULL (1976)
Board member since 2023

Current election period: Elected Board member on 20 April 2023, for a two-year period (2023-2025)

Independent: Yes

Residence: Oslo, Norway

Education: Maitrise de Sciences Economiques (Master of Economics) from Université des Sciences Sociales Toulouse 1, France (incl. one term in Sydney, Australia), and a Management Programme from HEC Paris, France

Position: COO Greenbit AS

Directorships: Subsidiaries in the Greenbit group

Shares in Norske Skog ASA:
Owns and/or controls 0 shares

TONE WILLE (1963)
Board member since 2024

Current election period: Elected Board member on 11 April 2024, for a two-year period (2024–2026)

Independent: Yes

Residence: Oslo, Norway

Position: Professional Board member, former President & CEO, Posten Bring AS

Education: Master of Science in Business Administration from the Norwegian School of Economics and Business Administration (1986, Bergen, Norway); International Baccalaureate from Lycée International (Paris)

Directorships: Chair of Avinor AS, Chair of International Post Corporation SA, Chair of Norled AS

Board member of Cermaq Global AS

Shares in Norske Skog ASA: Owns and/or controls 0 shares

TRINE-MARIE HAGEN (1977)
Board member since 2019

Current election period: Elected Board member on 20 April 2023, for a two-year period (2023-2025)

Independent: Yes

Residence: Oslo, Norway

Position: Group CFO Felleskjøpet Agri SA

Education: Four-year programme in economics and business administration consisting of three years at bachelor/undergraduate level and one year at master/graduate level, Norwegian School of Economics, Bergen (Norway)

First section of law studies, University of Bergen (Norway)

Directorships: Subsidiaries of Felleskjøpet Agri SA and Bane NOR Eiendom AS

Shares in Norske Skog ASA:
Owns and/or controls 0 shares

TERJE SAGBAKKEN (1973)
Board member since 2024

Current election period: Elected Board member on 11 April 2024, for a two-year period (2024-2026)

Independent: Yes

Residence: Gjøvik, Norway

Position: Managing Director, Raufoss Aliminium AS

Education: Master's Degree in Sustainable Production from the Norwegian University of Science and Technology (NTNU) in 2016; Bachelor's Degree in Wood Technology from Ingeniørhøgskolen i Gjøvik in 1996)

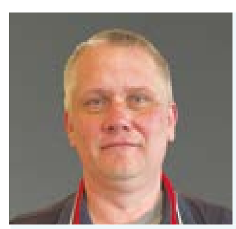
Directorships: Board member of Byggma ASA and Huntonit AS

Shares in Norske Skog ASA:
Owns and/or controls 0 shares

Observers

ASBJØRN ANDRÉ DYPDAHL (1972)
Observer since 2023

Position: Main employee representative Norske Skog Skogn. Winder operator Norske Skog Skogn



TORE CHRISTIAN ØSTENSVIG (1976)
Observer since 2022

Position: Main employee representative Norske Skog Saugbrugs. Line operator pulp (TMP) mill at Norske Skog Saugbrugs

Corporate management

GEIR DRANGSLAND (1962)
Chief Executive Officer
from 1 September 2023

Professional experience:
CEO in Byggma ASA

CFO in Avantor AS, Elkjøp Norway AS and Idun Industri AS

Education:
Master of Business Administration, BI Norwegian Business School (Oslo, Norway)

Directorships: Numerous subsidiaries in Byggma and Norske Skog group

Shares in Norske Skog ASA:
Owns and/or controls 22 774 079 shares

Synthetic options: 272 000

TORD STEINSET TORVUND (1990)
Chief Financial Officer
In Norske Skog since 2020

Professional experience:
Auditor in KPMG AS

Various summer internships at Kværner ASA, Norsk Hydro ASA and REC Silicon ASA

Education:
Master of Accounting and Auditing, Norwegian School of Economics (Bergen, Norway)

Master of Financial Economics, Norwegian School of Economics (Bergen, Norway)

CEMS Master of International Management, Norwegian School of Economics (Bergen, Norway) and St. Petersburg State University (Russia)

Shares in Norske Skog ASA:
Owns and/or controls 11 000 shares

Synthetic options: 176 000

EVEN LUND (1992)
Senior Vice President Corporate Finance
In Norske Skog since 2020

Professional experience:
Vice President Corporate Finance, Norske Skog

Investor Relations Manager, Norske Skog

Associate Corporate Finance, ABG Sundal Collier

Education:
Master of Financial Economics, Norwegian School of Economics (Bergen, Norway)

Shares in Norske Skog ASA:
Owns and/or controls 25 000 shares

Synthetic options: 176 000

EINAR BLAAUW (1980)
Senior Vice President General Counsel
In Norske Skog since 2014

Professional experience:
Vice President Legal, Norske Skog

Attorney, Advokatfirmaet Thommessen

Attorney, Clifford Chance

Education:
Attorney Practicing Certificate (Norway)

Master of Laws, University of Bergen (Norway)

Shares in Norske Skog ASA:
Owns and/or controls 0 shares

Synthetic options: 232 000

ROBERT A WOOD (1962)
Senior Vice President Commercial
In Norske Skog since 1987

Professional experience:
Vice President Commercial

Managing Director Central European Hub

Vice President European Sales

General Manager Norske Skog PanAsia (Shanghai)

Various positions in Commercial Consulting Co. Ltd. (China), Herald and Times (Glasgow), Strathclyde Police (Glasgow)

Education:
Bachelor of Science (1st Class Hons), University of Strathclyde (Scotland)

Shares in Norske Skog ASA:
Owns and/or controls 5 263 shares

Synthetic options: 291 000

Share information

INTRODUCTION

Norske Skog aims to provide long-term value growth and an attractive return for its shareholders which exceeds that of relevant investment alternatives, this ambition will be supported by a responsible capital allocation strategy and a conservative capital structure. Norske Skog is listed on the Oslo Stock Exchange where it trades under the ticker code NSKOG.

The Norske Skog corporate management and board of directors are committed to serving all shareholders and potential new investors with consistent, accessible, and immediate disclosure of relevant information through the Oslo Stock Exchange, media, and financial newswires. Norske Skog has a policy of equal treatment of all stakeholders to the group.

SHARES AND SHARE CAPITAL

On 31 December 2024, the share capital of Norske Skog was NOK 339 352 940, consisting of 84 838 235 shares each with a par value of NOK 4.00. All shares have equal rights and are freely transferable.

The Norske Skog share price was NOK 24.50 on 30 December 2024, representing a market value of approximately NOK 2 079 million. The return for 2024 was negative NOK 16.90 or negative 40.8 percent. The Oslo Stock Exchange Benchmark Index (OSEBX) had a return of positive 9.1 percent in 2024. For Norske Skog, the highest share price in 2024, based on close-of-trading, was NOK 43.42 on 5 July, and the lowest price was NOK 18.55 on 8 November. Norske Skog did not pay a dividend during the year.

VOLUME

In 2024, 81 492 191 Norske Skog shares were traded in the market, equivalent to a turnover of NOK 2 624 million. The average daily trading volume was 325 969 shares.

DIVIDEND POLICY AND PROPOSAL

Norske Skog's dividend policy is to pay dividends reflecting the underlying earnings and cash flow while ensuring efficient capital allocation in the group. When deciding the dividend level, the board of directors will among other things take into consideration capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility of the group.

Dividend payments are restricted under the group's financing facilities of maximum up to 50% of net profit for the previous financial year, subject to an incurrence test, maximum leverage ratio of 1.50x following dividend payment, being met and only after 31 July 2025.

The board of directors did not request the authority from the Annual General Meeting in 2024 to pay a dividend for the financial year 2023.

The board of directors will propose to the annual general meeting that no dividend is distributed for the financial year 2024.

LONG-TERM INCENTIVE PROGRAMME

The board of directors has approved a synthetic option programme for senior executive employees in Norske Skog. By end of 2024, 2 094 000 synthetic options had been awarded. The programme is described in the guidelines for determining salary and other remuneration to leading personnel, which are available on company's website www.norskeskog.com.

FUNDING AND CREDIT QUALITY

Maintaining a strong financial position is considered an important risk mitigating factor, supporting Norske Skog's possibilities for strategic development of its businesses. Access to external financial resources is required to maximise value creation over time, balanced with acceptable risk exposure. Norske Skog targets, freely available and unrestricted cash and cash equivalents of minimum NOK 100 million, EBITDA to net interest costs of minimum 2.0:1, and book equity to total assets of minimum 25%, see Note [28] Interest-bearing liabilities in the consolidated financial statements.

MAJOR SHAREHOLDERS AND VOTING RIGHTS

Geir Drangsland is the controlling shareholder of Investor AS. The company's largest shareholders, Byggma ASA and Drangsland Kapital AS are under common control of Investor AS and the three companies holds 22 774 079 shares combined, corresponding to a 26.84% ownership share.

On 31 December 2024, the foreign ownership was 21.49%. Based on the information in the Norwegian Registry of Securities, Norske Skog had a total of 12 290 shareholders on 31 December 2024 of which 198 resided outside of Norway.

SHAREHOLDING INTERVAL	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF SHARE CAPITAL
1 - 100	4 373	152 643	0.16
101 - 1 000	4 690	2 053 752	2.18
1 001 - 10 000	2 629	8 881 920	9.42
10 001 - 100 000	524	14 955 967	15.87
100 001 - 1 000 000	66	16 554 145	17.56
above 1 000 000	8	42 239 808	44.81
Total	**12 290**	**84 838 235**	**90.00**

SHAREHOLDER CITIZENSHIP	NO. OF SHAREHOLDERS	NO. OF SHARES	% OF SHARE CAPITAL
Norway	12 092	66 610 461	78.51
Luxembourg	9	11 553 220	13.62
United States	16	1 879 597	2.22
Sweden	37	1 401 171	1.65
United Kingdom	20	1 035 309	1.22
Denmark	27	998 483	1.18
Belgium	7	608 696	0.72
Germany	13	237 623	0.28
France	11	167 484	0.20
Ireland	29	152 808	0.18
Cyprus	1	50 000	0.06
Finland	2	43 766	0.05
Switzerland	7	36 596	0.04
Singapore	4	24 201	0.03
Italy	2	15 800	0.02
Spain	2	9 040	0.01
Brazil	1	4 001	0.00
Australia	1	2 800	0.00
Estonia	2	2 709	0.00
Iceland	1	1 600	0.00
Other	6	2 870	0.00
Total	**12 290**	**84 838 235**	**100.00**

Norske Skog Saugbrugs, supercalender
Photo: Carsten Dybevig

FINANCIAL CALENDAR

Norske Skog reserves the right to revise these dates.

20 March 2025:	Annual Report
10 April 2025:	Annual General Meeting
23 April 2025:	Quarterly Report - Q1
15 July 2025:	Quarterly Report - Q2
24 October 2025:	Quarterly Report - Q3
5 February 2026:	Quarterly Report - Q4

2025 ANNUAL GENERAL MEETING

The Norske Skog Annual General Meeting for 2025 will be held on Thursday 10 April 2025, at 13:00 CET. Shareholders who wish to attend are asked to follow the instructions on the Notice of Annual General Meeting and to inform the registrar by 16:00 CET on Monday 31 March:

DNB Bank ASA
Registrar's Department
P.O. Box 1600 Sentrum
N-0021 Oslo, Norway

You may also register electronically on our website www.norskeskog.com or via VPS Investor Services. Any shareholder may appoint a proxy with written authority to attend the meeting and vote on his or her behalf. The meeting will be held online.

ANALYST COVERAGE

ANALYST	TELEPHONE
ABG Sundal Collier	+47 22 01 60 00
DNB Markets	+46 91 50 48 00
Pareto Securities	+47 22 87 87 00
Sparebank 1 Markets	+47 24 14 74 00

Photo: Carsten Dybevig

INFORMATION FROM NORSKE SKOG

Communicating with the stock market is given high priority, and Norske Skog aims to maintain an open dialogue with market participants. Our objective is to provide sufficient information on a timely basis to all market participants to ensure a fair valuation of our shares. Information that is considered price sensitive is communicated by news releases and stock exchange announcements. We host regular meetings for investors, both in-person and virtually. All information about Norske Skog is published on our website: www.norskeskog.com.

Our annual and quarterly reports are available on www.norskeskog.com. Printed version of the annual and quarterly reports can be received at our office at Sjølyst Plass 2, 0278 Oslo, Norway.

Three weeks before the announcement of quarterly results, Norske Skog practices a "silent period", meaning that contact with external analysts, investors and journalists is limited. This is done to minimise the risk of information leaks and potentially unequal information in the marketplace.

SHARE PRICE	2019	2020	2021	2022	2023	2024
Share price high (close-of-trading), NOK	43.99	44.00	43.00	75.70	75.80	43.42
Share price low (close-of-trading), NOK	37.00	24.10	29.30	37.30	39.06	18.55
Share price average (volume weighted average price), NOK	38.42	31.98	35.14	56.60	54.04	32.20
Share price year-end, NOK	43.70	38.70	38.40	67.25	41.40	24.50
Dividend paid per share, NOK	0.00	6.25	0.00	0.00	0.67	0.00
Market capitalisation year-end, NOK million	3 605	3 193	3 620	6 339	3 903	2 079
Volume (excluding off-market transactions and share repurchases)						
Number of shares traded, million	10.68	38.05	90.99	125.23	148.67	81.49
Turnover, NOK million	427	1 217	3 186	6 951	8 130	2 624
Number of trades	12 359	68 834	166 577	267 136	265 213	133 016
Number of trading days	49	252	252	253	251	250
Average daily number of shares traded	217 995	150 983	361 074	494 995	592 319	325 969
Average daily turnover, NOK million	8.7	4.8	12.6	27.5	32.4	10.5
Average daily number of trades	252	273	661	1 056	1 057	532
Shareholders						
Non-Norwegian ownership year-end, % share	15.74	9.70	27.89	30.20	17.01	21.49
Shareholding interval 1 - 100, % share	0.02	0.07	0.09	0.15	0.19	0.16
Shareholding interval 101 - 1 000, % share	0.64	1.41	1.62	1.76	2.59	2.18
Shareholding interval 1 001 - 10 000, % share	1.65	4.51	6.09	5.43	10.19	9.42
Shareholding interval 10 001 - 100 000, % share	3.63	6.29	9.11	9.28	15.77	15.87
Shareholding interval 100 001 - 1 000 000, % share	19.75	9.28	24.27	24.52	17.79	17.56
Shareholding interval above 1 000 000, % share	74.32	78.44	58.82	58.86	53.48	44.81
Top 5 shareholders, % share	71.77	72.02	42.21	45.77	42.11	42.62
Top 10 shareholders, % share	77.74	79.47	51.32	54.38	50.09	51.69
Top 15 shareholders, % share	82.50	83.20	57.73	59.92	55.13	55.28
Top 20 shareholders, % share	85.66	85.26	62.89	64.28	58.47	57.60
Top 25 shareholders, % share	88.14	86.63	66.91	67.70	61.16	59.48
Top 30 shareholders, % share	89.82	87.58	70.21	70.25	63.46	61.00
Number of shareholders	2 120	5 322	7 615	9 677	14 124	12 290
Outstanding shares year-end	82 500 000	82 500 000	94 264 705	94 264 705	94 264 705	84 838 235

Photo: Carsten Dybevig

Report of the board of directors

ABOUT NORSKE SKOG

Norske Skog is a leading producer of publication and packaging paper.

The company has publication paper production capacity of 1.3 million tonnes across its four manufacturing sites in Europe, comprising 0.8 million tonnes of newsprint and 0.5 million tonnes of magazine paper.

Norske Skog's packaging paper production in Europe commenced in the first quarter of 2023 at Norske Skog Bruck and is expected to reach a full production capacity of 0.2 million tonnes in second half of 2025. Norske Skog Golbey is set to begin production in the first quarter of 2025 and will when fully ramped up have a production capacity of 0.6 million tonnes. Combined the mills will produce 0.8 million tonnes of recycled containerboard.

During 2024, Norske Skog initiated a concrete sales process for its remaining operations in Australasia which mainly comprises the Norske Skog Boyer mill. The sale is expected to be completed in 2025.

STRATEGY

Norske Skog has adopted the following business strategy:

- Improve and optimise publication paper cash flows
- Become a leading and independent European producer of renewable packaging paper
- Integrate vertically within the entire value chain

NORSKE SKOG IN 2024

Markets – publication paper

In 2024, demand for European publication paper declined at a slower rate than the historical average of approximately 5-10%. This more moderate decline followed a sharp contraction towards the end of 2022 and into 2023, which was largely driven by high prices driving a further shift to digital and inventory reductions as consumers adjusted stock levels after significant build-ups during the 2022 energy crisis. Capacity closures within the industry have helped rebalance supply and demand for certain paper grades, while others continue to experience low capacity utilisation. On average, product prices remained stable compared to year-end 2023. The cost of raw materials, both pulpwood and recovered paper, have increased while energy costs decreased during 2024.

In 2024 the annual demand for standard newsprint in Europe decreased by 1% compared to previous year. For magazine paper the demand decreased by 5%, with supercalendered paper decreasing 9% and lightweight coated paper decreasing 2% compared to previous year. (Source: Euro-Graph).

Markets - containerboard

The Western European recycled containerboard consumption was approximately 20 million tonnes in 2024. Unlike the publication paper markets, the packaging market experienced increased demand in the year which in turn have improved the supply demand balance compared to 2023. However, the capacity utilisation in the industry is still below historical averages, which puts pressure on the profit margins for producers.

The prices for recycled containerboard were slightly higher in 2024 compared to 2023, but as prices for raw materials, in particular recycled fibre, also increased, the effect on profit margins were limited.

Norske Skog Bruck PM3 continued to increase the production and deliveries of recycled containerboard in 2024 and is expected to reach full utilisation in the second half of 2025.

In September Norske Skog announced that the containerboard production at Norske Skog Golbey is expected to start during the first quarter of 2025, a delay compared to the previously communicated second half of 2024. The net investment amount has been increased to EUR 320 million from previous EUR 300 million as a result of the revised time line and the additional work required. Once fully ramped up the machines will have a total capacity of 760 000 tonnes of cost-competitive recycled containerboard.

The recycled containerboard production will be fully based on recycled fibre and will utilise green energy generated from the new waste-to-energy facility at the Bruck industrial site and a new biomass plant at the Golbey industrial site. Reliable access to affordable sources of green energy will be crucial for the long-term competitiveness at Norske Skog Bruck and Norske Skog Golbey.

Annual demand for recycled containerboard in Europe increased by 3.4% in 2024, compared to the same period last year. (Source: Fastmarkets RISI).

Discontinued operation

Due to the initiated sales process of Norske Skog Industries Australia Ltd, the segment publication paper Australasia was classified as a disposal group held for sale and as a discontinued operation on 31 December 2024. The figures for 2023 in the income statement have been restated accordingly.

INCOME STATEMENT CONTINUING OPERATIONS 2024 (2023 RESTATED)

Norske Skog's operating income was NOK 10.2 billion (NOK 11.6 billion). The decrease was mainly due to mix effects reducing average selling prices, partly offset by higher volumes. In other operating income insurance proceeds were recognised with NOK 458 million (NOK 1.1 billion) primarily related to the rockslide in 2023 on the Norske Skog Saugbrugs industrial site.

Distribution costs of NOK 1.0 billion (NOK 0.8 billion) were higher than the previous year following the increased deliveries. Cost of materials of NOK 5.9 billion (NOK 5.9 billion) are on the same level due to higher pulpwood and recycled fibre prices, while energy prices decreased during the year despite still being higher than historical levels before the energy crisis in 2022.

Employee benefit expenses of NOK 1.7 billion (NOK 1.8 billion) decreased year-on-year because of a reduction in the number of employees and reduced bonuses. Other operating expenses of NOK 803 million (NOK 1.0 billion) decreased as a result of prior year being impacted by clean-up costs following the rockslide at Saugbrugs.

EBITDA decreased to NOK 736 million (NOK 2.1 billion), negatively impacted by the poor operating environment in Europe both for publication paper and packaging paper.

Restructuring expenses in 2024 amounted to NOK 16 million (NOK 32 million) and is mainly related to demanning at Norske Skog Saugbrugs. Depreciation was NOK 481 million (NOK 464 million), an increase as a result of 2024 being the first full year of depreciation of the containerboard assets in Bruck. An impairment of NOK 121 million (NOK 27 million) was recognised in relation to assets at Norske Skog Saugbrugs.

Derivatives and other fair value adjustments ended at negative NOK 178 million (NOK 605 million) reflecting the impact of the change in fair value of energy contracts in Norway.

Operating earnings ended at negative NOK 60 million (positive NOK 934). The change primarily reflects lower other revenue from insurance compensation, continued challenging market conditions for publication paper and container-board in Europe, and negative impact from derivatives and other fair value adjustments.

Net financial items in 2024 were NOK -441 million (NOK -275 million). Net interest expenses of NOK 128 million (NOK 115 million) was above previous year reflecting increased net debt. Currency loss of NOK 175 million (loss of NOK 71 million) is due to weaker NOK during 2024 resulting in unrealized losses on euro denominated debts and currency derivatives. Income taxes for 2024 amounted to NOK -94 million (NOK -110 million) reflecting lower deferred tax assets recognized. Profit for the year was negative NOK 661 million (positive NOK 535 million).

CASH FLOW 2024 (2023)

Net cash flow from operating activities ended at negative NOK 15 million (positive NOK 1.9 billion). Cash from operations was NOK 200 million (NOK 2.7 billion) a decrease primarily resulting from lower EBITDA and a slight build-up of inventories compared to a decrease in inventories the prior year. Taxes paid was negative NOK 1 million (paid NOK 598 million) because of adjustments from prior years for Norske Skog Golbey.

Net cash flow from investing activities of NOK 1.2 billion (NOK 2.7 billion) mainly reflects plant and equipment related to the conversions of Norske Skog Golbey PM1 into recycled containerboard.

Net cash flow from financing activities of negative NOK 105 million (positive NOK 549 million) includes refinancing of the EUR 150 million senior secured bond issued in 2021 with a new senior unsecured bond of NOK 1 600 million with maturity in June 2029 of which NOK 1 400 million is drawn, issue of a NOK 500 million green term loan at Norske Skog Skogn, and scheduled debt repayments mainly at Norske Skog Golbey and Norske Skog Bruck.

Publication paper Europe

Operating income was NOK 9.2 billion (NOK 11.1 billion) a decrease from the previous year due to lower publication paper prices, less sale of excess energy and lower revenue from insurance compensation. Insurance compensation was recognised with NOK 458 million (NOK 1.1 billion) primarily related to the rockslide in Norske Skog Saugbrugs in April 2023.

Distribution costs of NOK 904 million (NOK 804 million) increased on an absolute and per tonne basis, driven by higher freight rates and higher tonnage. Cost of materials of NOK 5.3 billion (NOK 5.6 billion) decreased due to lower energy costs, partly offset by increased costs of pulpwood on an absolute and per tonne basis. Employee benefit expenses of NOK 1.4 billion (NOK 1.5 billion) decreased an absolute and on a per ton basis because of a reduction in the number of employees and reduced bonuses.

Operating earnings ended at NOK 112 million (NOK 1.2 billion). The weakening primarily reflects unfavourable market conditions for publication paper in Europe during 2024 and recognized impairments at Norske Skog Saugbrugs. Net cash flow from operating activities ended at NOK 228 million in 2024 (NOK 3.0 billion).

Capacity utilisation was 87% in 2024, an increase compared to the previous year of 80%, underscoring our commitment to gain market share despite challenging market conditions.

Packaging paper

Operating income of NOK 851 million (NOK 362 million) reflects continued ramp-up and increased deliveries from Norske Skog Bruck PM3.

Distribution costs of NOK 101 million (NOK 40 million) increased on an absolute level and is on the same level on a per tonne basis as prior year. Cost of materials of NOK 527 million (NOK 248 million) decreased on a per tonne basis reflecting efficiency gains of higher utilisation. Employee benefit expenses of NOK 156 million (NOK 157 million) decreased slightly on an absolute level and significantly on a per tonne basis. Other operating expenses of NOK 61 million (NOK 64 million) decreased, also reflecting efficiency gains as the machine ramps-up.

Operating earnings ended at NOK -113 million (NOK -221 million). Despite being an improvement, operating earnings is still influenced by the machine not being fully ramped up in addition to a challenging containerboard market.

Discontinued operations

The segment Publication paper Australasia was discontinued in 2024 following the initiation of a concrete sales process in December 2024. The segment consisted of Norske Skog Boyer's publication paper operations in Australasia, the only domestic publication paper producer in the region. The annual production capacity is approximately 0.3 million tonnes.

Operating revenue of NOK 1.9 billion (NOK 2.0 billion) was in line with prior year with similar delivery volumes and prices. Other operating income decreased as 2023 included a gain on sale of the Norske Skog Tasman industrial site. Total operating expenses of NOK 2.2 billion (NOK 2.0 billion) increased due to higher impairments and general cost inflation.

Operating earnings ended at NOK -305 million (NOK -38 million). Net cash flow from operating activities ended at NOK -36 million (NOK -34 million). Capacity utilisation was 89% in 2024, a decrease compared to the previous year of 91%, mainly due to weaker local markets for the company's products during the year.

BALANCE SHEET 31 DECEMBER 2024 (31 DECEMBER 2023)

Total assets were NOK 14.5 billion (NOK 14.8 billion) while total non-current assets were NOK 10.0 billion (NOK 9.1 billion). The increase is mainly related to investments in connection with the conversion to recycled containerboard at Norske Skog Golbey, partly offset by reclassification of assets related to Norske Skog Boyer to assets held for sale. Investments in maintenance of property, plant and equipment amounted to NOK 219 million (NOK 363 million).

The group recognised a deferred tax asset of NOK 111 million (NOK 206 million). Total current assets were NOK 4.4 billion (including asset held for sale) (NOK 5.7 billion), with cash and cash equivalents of NOK 1.1 billion (NOK 2.5 billion). In addition to the decrease in cash and cash equivalents, trade receivables decreased in part as a result of all current assets at Norske Skog Boyer being classified held for sale.

Total non-current liabilities were NOK 5.5 billion (NOK 5.7 billion). Non-current liabilities decreased due to a higher share of the loans related to the conversion projects at Norske Skog Bruck and Norske Skog Golbey being classified as current. Total current liabilities were NOK 3.6 billion (including liabilities relating to assets classified as held for sale) (NOK 2.9 billion) an increase driven by a higher share of interest-bearing debt being due within one year.

Net interest-bearing debt of NOK 4.1 billion (NOK 2.6 billion) increased as a result of capex in the Norske Skog Golbey conversion project leading to a reduction in cash and cash equivalents. Equity was NOK 5.4 billion at 31 December 2024 (NOK 6.2 billion). The decrease reflects loss for 2024.

RISK MANAGEMENT

The main exposures for the group are linked to demand development in key paper grades within publication paper and packaging paper and capacity management by the suppliers and thereby impacting prices. Prices for publication paper and packaging paper relative to production cost is the most important factor for the profitability in the industry. Negative demand development and lack of or insufficient capacity management in the industry could result in pressure on prices and profitability.

The group Is also exposed to movements in the prices of key input factors such as energy, recovered paper, wood and chemicals. During 2024 costs of raw materials has been high compared to previous years. Thus, efforts to continue to improve efficiencies and develop purchasing strategies and having a contract structure that matches production are key to mitigate these risk factors and reduce the impact on the group's profitability.

Norske Skog is not vertically integrated into forest resources and must therefore source wood from third parties. The supply of wood is to a certain extent covered by medium to long-term contracts which reduce cost exposure and increase supply certainty. For the remaining part the price development of wood is linked to the activity in the pulp and paper sector with lower activity and pricing giving lower cost and opposite when activity is high.

The group's revenues and costs are partly hedged operationally from a currency point of view; providing some risk reduction but significant movements, particularly of NOK vs GBP, USD an EUR, pose a financial risk for the group.

Norske Skog's operations are predominantly production of publication paper, but with increasing exposure to packaging paper. The demand for publication paper will likely continue to decrease and the market balance is over time dependent on future closures of production capacity either permanently or through conversions to other paper grades. Exposure to both newsprint and magazine paper grades give some product diversification for the publication paper segment, while the conversion of Norske Skog Golbey PM1 will provide further product diversification into recycled containerboard, which is expected to be a growing market.

Financial risk management includes currency and liquidity planning. Currency volatility is to a certain extent mitigated by natural hedging where income and expenses are matched in the same currency, but the group may also enter into currency contracts to hedge currency risk. Norske Skog has loans predominantly denominated in EUR, matching cash flows from the EUR based European market. Liquidity is ensured by maintaining sufficient cash balances and open credit lines linked to trade receivables facilities. Norske Skog continuously assesses the most competitive funding sources for the group. Norske Skog performs credit evaluations of counterparties. The group's insurance program covers property damage, business interruption, product and environmental liability, crime and cyber and is managed centrally through a well-established insurance program.

Norske Skog ASA has a directors and officers liability insurance for the parent and its subsidiaries. The insurance covers defence costs and potential legal liability for directors and officers arising out of claims made against them while serving on a board of directors and or as an officer. The insurance renews annually, and the sum insured was USD 50 million at 31 December 2024.

Risk factors are further discussed in Note 5 Financial Risk in the consolidated financial statements.

CORPORATE GOVERNANCE

Norske Skog considers good corporate governance to be a prerequisite for value creation, trustworthiness, and access to capital. Norske Skog believes that good corporate governance involves openness, honesty and cooperation between all parties involved in and with the group: the shareholders, the board of directors and executive management, employees, customers, suppliers, public authorities, and society in general.

To secure strong corporate governance and value creation in a sustainable manner, it is important that Norske Skog ensures good and healthy business practices, reliable financial reporting and an environment of compliance with legislation and regulations across the group.

Norske Skog has governance documents setting out principles for how business shall be conducted. These apply to all group entities. The Norske Skog governance regime is approved by the board of directors of Norske Skog. Further details are described in the corporate governance section in the annual report and on www.norskeskog.com.

TRANSPARENCY

In June 2021 the Norwegian Parliament passed the Transparency Act (In Norwegian: "Åpenhetsloven"), which entered into force on 1 July 2022. The purpose is to promote companies' respect for fundamental human rights and decent working conditions in connection with the production of goods and services, and to ensure the general public access to information on how companies handle negative consequences on fundamental human rights and decent working conditions.

The act applies to large enterprises that are domiciled in Norway, which offer goods and services inside or outside Norway. Norske Skog complies with the obligations under the scope of this act and further information is disclosed on www.norskeskog.com.

RESEARCH AND DEVELOPMENT

Norske Skog's research and development work is performed at the individual business units and in cooperation with other external companies and/or external research institutions. There is a continued focus on evolution of paper products and new innovative green alternatives to replace existing materials and substances that often are based on petrochemical products. Investments into projects for alternative use of fibre and development of bio-chemicals are being made in the form of pilot or demonstration plants that, if successful, can contribute to growth when commercialised.

At Norske Skog Skogn, 2024 has been a year where focus on incremental product development and launch of new products has been a key topic. This resulted in NorStrato – a wrapping paper certified for direct food contact, which was successfully introduced to the market in third quarter. Developments towards new graphical products to new market segments has also been in focus. Two research projects supported by the Norwegian Research Council has been ongoing at the TMP pulp mill with the aim to improve process control, reduce energy consumption and in addition provide flexibility for new products in the future. There have also been activities towards increasing value from sidestreams and potentially from biogenic CO2.

GOING CONCERN

In accordance with the provisions in the Norwegian Accounting Act, the board of directors has assessed the going concern assumption as basis for preparing and presenting the financial statements. At 31 December 2024, the equity of the company is NOK 5.4 billion giving an equity ratio of approximately 37%. Based on the results for the company and group for 2024, the solidity and available liquidity, the board of directors confirms that the assumption applies and that the financial statements have been prepared on a going concern basis.

OUTLOOK FOR 2025

The development in the global economy is important for consumer spending, and this impacts the publication paper and packaging paper industry, and thus Norske Skog's operations and results. Norske Skog's deliveries have increased across all grades in 2024, both in publication paper and packaging paper, resulting in higher market share in the industries we operate.

The raw material and energy markets, which are important for both publication paper and packaging paper production, are expected to remain uncertain. Energy prices decreased in 2024 but are still on a high level compared to historical averages. Cost of pulpwood has increased, but the prices are expected to remain stable at current level. Recycled paper prices decreased in the last months of 2024, but are expected to gradually increase again during 2025.

The level of input costs and demand for paper will continue to influence paper sales prices in Europe. Both publication and packaging paper markets see some excess capacity, and capacity reductions are required to tighten the markets. Industry utilisation is expected to remain below the historical average until capacity is reduced. Norske Skog is able to maintain a higher utilisation rate than the industry average.

The production of recycled containerboard at Norske Skog Bruck PM3 is expected to increase in line with plan over the coming quarters. The EBITDA from the packaging paper segment was positive in 2024 but is expected to be negative in 2025 due to allocation of fixed costs relating to Norske Skog Golbey PM1 from the first quarter of 2025.

Norske Skog Saugbrugs continues to progress with the design phase of a new bleached chemi-thermomechanical pulp (BCTMP) line, with expected completion of the main study in the first half of 2025. In addition, Norske Skog Saugbrugs is also reviewing the future opportunity for SC magazine paper production from the damaged PM6.

The Norwegian mills, Norske Skog Saugbrugs and Norske Skog Skogn, have received written notices from the Norwegian Environment Agency stating that they will not be included in the EU Emissions Trading System from 2026 to 2030. This is because emissions from biomass combustion accounted for more than 95 percent of the mills' total average greenhouse gas emissions during the reference period 2019–2023.

During December 2024, Norske Skog initiated a concrete sales process for its operations in Australasia. The transaction is expected to close in 2025.

Norske Skog continues to monitor its financial position closely and has several ongoing initiatives to secure its liquidity and financial performance going forward. There is also a clear emphasis on reducing production cost and working capital to improve the group's competitive position and cash flow from operations. Norske Skog will continue to develop its industrial sites with new fibre projects based on efficient use of certified fibre and renewable energy, both on a stand-alone basis and in partnerships.

THE PARENT COMPANY - NORSKE SKOG ASA

The parent company, Norske Skog ASA, is incorporated in Norway and has its head office at Skøyen in Oslo. The activities of Norske Skog ASA consist of holding shares in the operating companies and conducting the head office functions of the Norske Skog group. On 31 December 2024 the company had 23 employees.

INCOME STATEMENT AND CASH FLOW 2024 (2023)

Operating revenue NOK 90 million (NOK 116 million) is primarily from the services provided within the group. Employee benefit expenses NOK 70 million (NOK 97 million) a decrease of NOK 27 million mainly due to demanning and reduced bonuses at the head office. Other operating expenses NOK 62 million (NOK 62 million) are related to the head office functions and IT cost. Restructuring cost of NOK 4 million (NOK 28 million) relates to demanning at the head office.

Total financial items amounted to NOK -154 million (NOK 768 million) reflecting dividends of NOK 875 million received from subsidiaries (NOK 978 million), impairment of investments in subsidiaries of NOK 624 million (NOK 39 million), currency loss of NOK 174 million (loss of NOK 74 million) and net interest and other financial expenses of NOK 230 million (NOK 96 million).

Income taxes NOK -145 million (NOK 174 million) relates to change in deferred tax assets recognized. Loss for the year was NOK 432 million in 2024 (profit of NOK 851 million). Net cash flow from operating activities was negative NOK 200 million (NOK -264 million) with net interest payments of NOK 88 million (NOK 62 million).

Net cash flow from investing activities was negative NOK 175 million (NOK -107 million) with the decrease reflecting increased share capital in Norske Skog Bruck GmbH and higher receivables. Net cash flow from financing activities was negative NOK 481 million (positive NOK 1 million) reflecting decrease in payables and net loan repayments.

BALANCE SHEET 31 DECEMBER 2024 (31 DECEMBER 2023)

Total assets were NOK 6.4 billion (NOK 8.0 billion). Total non-current assets were NOK 4.7 billion (NOK 5.5 billion) a decrease due to impairment of shares in Norske Skog Bruck GmbH and Norske Skog Industries Australia Ltd. and decreased deferred tax assets. Total current assets were NOK 1.7 billion (NOK 2.6 billion) a decrease primarily due to reduced cash and cash equivalents.

Total non-current liabilities were NOK 1.4 billion (NOK 1.5 billion) while current liabilities decreased to NOK 1.0 billion (NOK 2.0 billion). Equity was NOK 4.1 billion (NOK 4.5 billion). The decrease in equity is due to the loss for the year.

HEALTH AND SAFETY

Lost-time injuries per million working hours, was 0 in 2024 (0) in Norske Skog ASA. The company had an absence rate due to sickness of 1.4% in 2024 (1.2%).

RISK MANAGEMENT

The risk factors described for the group are also relevant for the parent company. Furthermore, Norske Skog ASA is also exposed to the risks of funding from the cash generating operations not being available for the company when required, whether by way of intragroup loans or other capital transactions such as dividend payments.

On 31 December 2024 the total number of shareholders was 13 034 (14 124).

PROFIT/LOSS ALLOCATION

The loss for the year for Norske Skog ASA (the parent company) was NOK 432 million (profit NOK 851 million). The loss for the year was allocated to retained earnings.

DIVIDEND PROPOSAL

The board of directors will propose to the annual general meeting that no dividend is distributed for the financial year 2024.

SUSTAINABILITY STATEMENT

Norske Skog's sustainability statement is presented on pages 34 through 129. The board of directors' signatures endorsing the sustainability statement can be found on page 131.

Sustainability statement

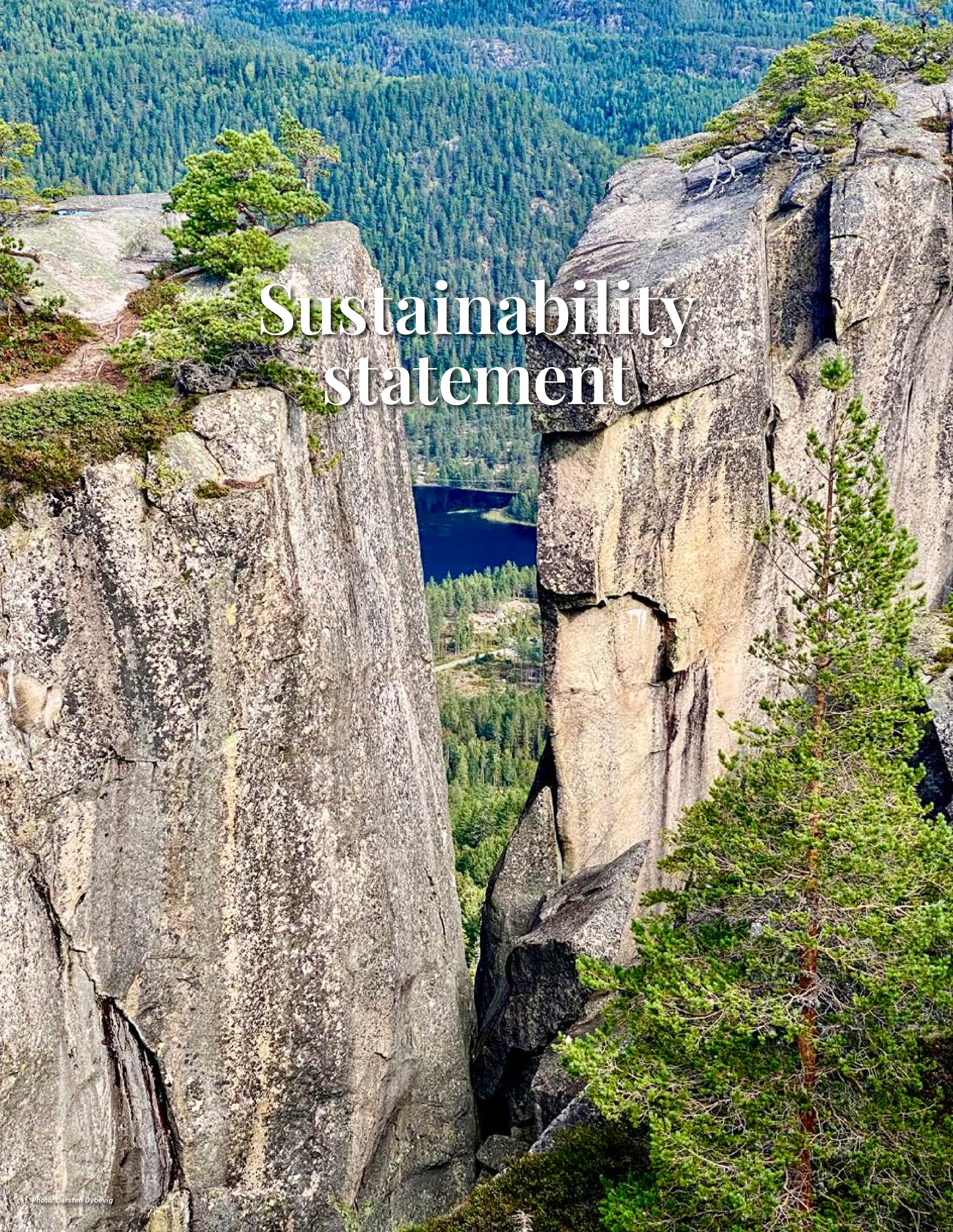


Photo: Carsten Dybevig

General disclosures (ESRS)

1. Basis for preparation

Our sustainability statement has been prepared on a consolidated basis, aligning with the scope of the financial report for 2024. This report is our mandatory annual statutory sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD) is (EU 2022/2464) and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

The scope of our sustainability statement mirrors that of our financial statements, ensuring consistency and comprehensive coverage of our operations and activities. Our sustainability statement covers our own operations, and both upstream and downstream aspects of our value chain, encompassing suppliers, production processes, distribution, product use, and end-of-life considerations.

All data points found in the topical standards have been subject to a double materiality assessment (DMA). For a detailed description of the scope, methodology and assumptions of our DMA process, see section 4 on impacts risks and opportunity management in this chapter. The Sustainability statement follows the categorization of short-, medium- and long-term time horizons as defined in ESRS 1, section 6.4.

No information corresponding to intellectual property, know-how or the results of innovation has been omitted from the sustainability statement.

CHANGES IN THE PREPARATION OR PRESENTATION OF SUSTAINABILITY INFORMATION

Norske Skog has aligned its sustainability reporting structure in line with the adaptation to the CSRD and the ESRS. These modifications include:

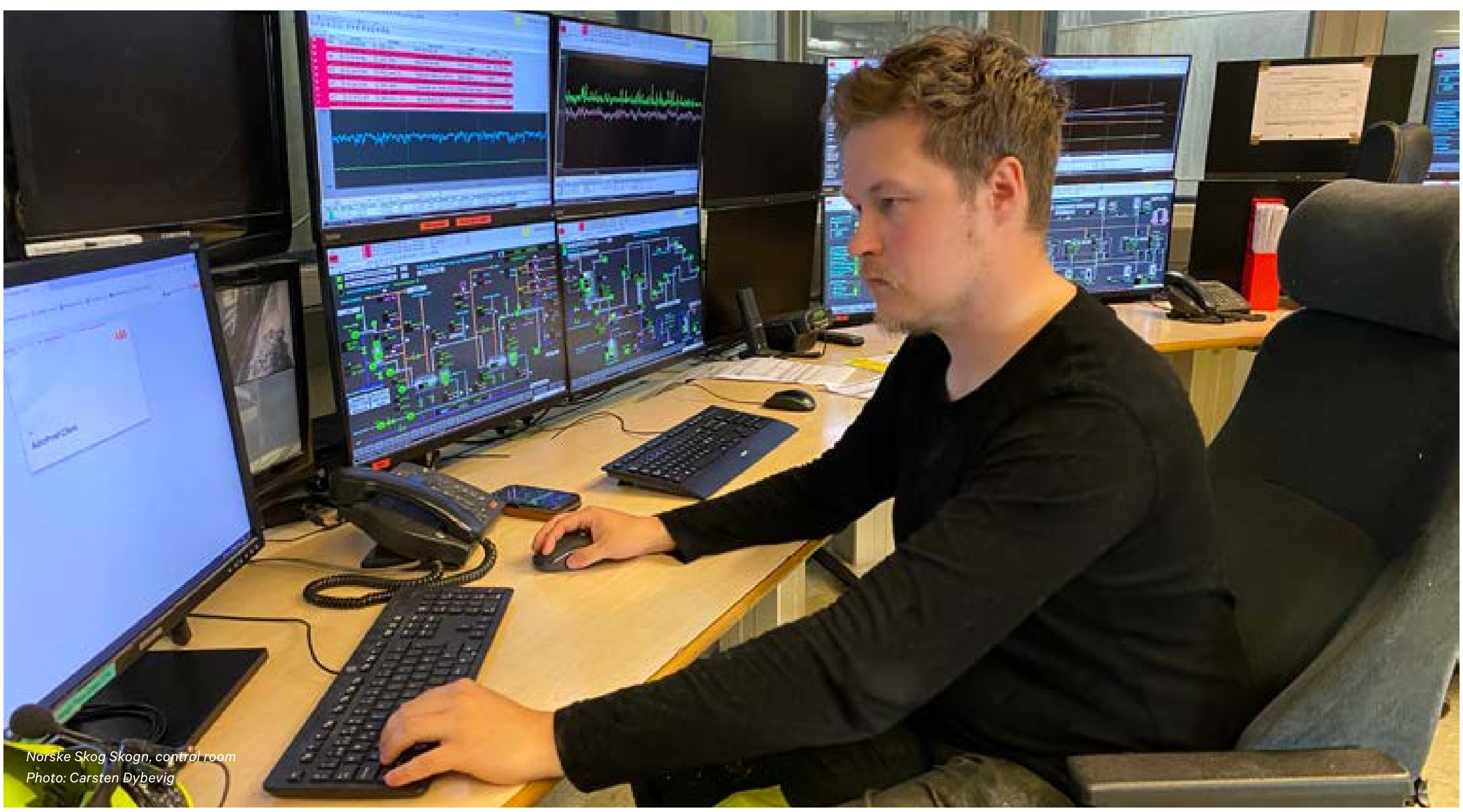
- New disclosures and metrics required by the ESRS. The DMA now includes environmental, social and governance related impacts, risks and opportunities, in addition to ESRS-aligned policies, actions, metrics and targets.
- Furthermore, the layout of the sustainability report has been revised to comply with the ESRS reporting demands.
- The sustainability statement is included in our annual report in line with the ESRS requirements.
- On 7 February 2025 an agreement to sell Norske Skog Industries Australia Ltd with subsidiaries was signed. The sale is expected to be completed in 2025.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

The assessment of future impacts, risks and opportunities are by nature subject to estimations and outcome uncertainty. In line with ESRS requirements, the sustainability statement include forward-looking statements and assessment of the impact of climate change on Norske Skog performance in the short-, medium- and long-term. These forward-looking judgments relate to potential future events that are beyond the control of Norske Skog and difficult to predict. Norske Skog does not assume any responsibility for the accuracy of such future-looking statements.

THIRD PARTY VERIFICATION

All of Norske Skog's business units are certified in accordance with ISO 9001 (Quality Management Systems). All other third party verification is handled in the respective sections.


Norske Skog Skogn, control room
Photo: Carsten Dybevig

2. Governance

Responsibility allocation in governing bodies for environmental policy and sustainability

BOARD OF DIRECTORS

The board of directors holds the overarching responsibility for Norske Skog's environmental policy and sustainability strategy. This includes:

- Defining and annually reviewing environmental policies, goals, and strategic priorities.
- Ensuring that environmental and sustainability aspects are fully integrated into the company's overall strategy.
- Receiving regular reports on environmental performance, including greenhouse gas emissions, energy efficiency, circular economy, and biodiversity.
- Ensuring compliance with international agreements such as the Paris Agreement and the Montreal Protocol.
- Evaluating and approving investments and projects with significant environmental impact.
- Delegating specific tasks related to environment and sustainability to the audit committee and corporate management.
- Ensuring that relevant sustainability competence exists in the audit committee and corporate management.

AUDIT COMMITTEE

The audit committee, led by the board chair, functions as a supervisory body for the company's environmental risks, reporting, and governance. Its responsibilities include:

- Monitoring environmental risks and opportunities, as well as assessing related financial implications.
- Ensuring that sustainability reporting aligns with European and international standards, including ESRS.
- Reviewing and approving procedures for environmental and sustainability reporting.
- Reporting to the board on identified environmental risks, compliance, and areas for improvement including oversight of impacts, risks and opportunities.

CORPORATE MANAGEMENT

Corporate management is operationally responsible for implementing the board's environmental strategy and ensuring that environmental considerations are integrated into daily operations. This includes:

- Identifying, evaluating, and managing environmental risks and opportunities at the corporate and business unit levels.
- Establishing specific goals and strategies for emissions reduction, renewable energy, circular economy, and natural resource management.
- Ensuring that business units have the necessary resources, training, and tools to effectively implement the environmental policy.
- Reporting to the board and audit committee on environmental performance and continuous improvement measures.

HEAD OF SUSTAINABILITY

The head of sustainability plays a key role in coordinating and overseeing the company's sustainability initiatives. Main responsibilities include:

- Developing and implementing the corporate sustainability strategy in collaboration with corporate management.
- Ensuring that sustainability goals align with international regulations and best practices.
- Leading internal training programs and ensuring sustainability principles are understood and followed throughout the organisation.
- Coordinating sustainability reporting and working closely with the audit committee to ensure accurate and transparent reporting.
- Engaging in stakeholder dialogue, including with authorities, investors, and customers, to promote Norske Skog's environmental and social responsibility.

BUSINESS UNITS

The business units are responsible for the practical implementation of environmental initiatives in their respective operations. This includes:

- Integrating environmental considerations into daily operations, including energy efficiency, resource use, pollution control, and waste management.
- Implementing corporate management's strategies and goals at the local level.
- Ensuring that employees are trained in environmental and sustainability principles and have the necessary competence to perform their work in line with company requirements.
- Reporting any serious environmental deviations immediately to corporate management and regularly reporting progress on environmental goals.
- Ensuring that suppliers and partners comply with Norske Skog's environmental standards and sustainability requirements.

COMPETENCE AND EXPERTISE IN GOVERNING BODIES

The various governing bodies of Norske Skog possess broad competence in sustainability, risk management, and environmental governance. Specific areas of expertise include:

- Board of directors: Experience in technology, sustainability, finance, and global markets. The board of directors consists of 5 non-executive, independent members and two employee observers. The board has 40% female representation.
- Audit committee: Expertise in risk assessment, compliance, and sustainability reporting.
- Corporate management: Operational management of environmental and sustainability strategies. The corporate management consists of 5 male members, where the CEO is not independent. Corporate management has 0% female representation.
- Head of sustainability: Specialised knowledge in climate risk, circular economy, and environmental standards.
- Business units: Practical experience in implementing sustainability goals within production and the value chain. Expertise in operational management, strategy, sustainability, finance, accounting, legal, commercial, broad industrial background from fibre processing.

Through clear responsibility allocation, Norske Skog ensures that its environmental policy is embedded throughout the organisation from strategic governance to operational execution, continuously improving environmental performance in alignment with global sustainability goals.

In addition to its financial reporting, audit, internal controls and compliance responsibilities, the audit committee has delegated responsibility for overseeing all matters relating to business conduct. As required with reference to the guidelines that at least one member of the audit committee has recent and relevant audit, legal or compliance expertise to enable it to discharge these responsibilities effectively.

Material impacts, risks, and opportunities are reported to the corporate management, and audit committee through regular updates provided by the head of sustainability. Reporting occurs quarterly during audit committee meetings ensuring continuous oversight.

The corporate management, and audit committee evaluate the implementation of due diligence, effectiveness of policies, and the outcomes of actions, metrics, and targets adopted. Reviews are conducted annually, with special sessions convened when significant changes occur or when new risks emerge.

Impacts, risks, and opportunities are integrated into the governing bodies' discussions on the business's strategy, major transactions, and risk management processes. Our acquisition strategy requires the consideration of sustainability matters such as health & safety and locked-in emissions in our due diligence process when acquiring other businesses. These considerations involve comprehensive analyses that weigh trade-offs associated with various impacts, risks, and opportunities to make informed decisions aligned with sustainability objectives.

Throughout the year, the corporate management and business unit management consistently monitor various impacts, risks, and opportunities. To guarantee effective performance monitoring, the corporate management addresses key targets relevant to our business in relevant board meeting. Health and safety risks are a routine topic of discussion at the board meetings (refer to the Social section on for more information). Similarly, climate-related risks and our efforts towards decarbonization and achieving net zero emission goals in scope 1 and 2 are monitored and reviewed when necessary by the governance bodies (for additional details, see the Environment section).

Compensation scheme including sustainability-linked remuneration:

- All performance contracts, for corporate management, mill directors and all other personnel with performance contracts, include sustainability goals that cover environmental, health, and safety issues. The performance is assessed on a general basis and is not assessed against specific targets.
- The proportion of the variable remuneration is 2.5% of the total performance contract score. The board of directors approves the level and content of the performance contracts.

Risk management and internal controls over sustainability reporting

HEAD OF SUSTAINABILITY – RESPONSIBILITIES AND REPORTING STRUCTURE

The head of sustainability is responsible for facilitating and developing comprehensive group reports on sustainability issues and ESG metrics. This responsibility includes organizing and leading essential activities such as the consolidated Disclosure on Management Approach (DMA), evaluating climate risks, and managing data collection and conversion processes for sustainability reporting.

DATA COLLECTION AND REPORTING STRUCTURE

The gathering of relevant data and information for the annual sustainability report is a continuous process that involves multiple data sources and reporting levels within the organisation. Data is collected at the business units (mills) through:

- Measuring instruments: Automated and manual sensors monitor emissions, energy consumption, water usage, and other key environmental parameters at each mill.
- Physical counts or measurements: Manual inspections and physical assessments verify waste management, raw material usage, and safety compliance.
- Incident reports:
  - o Every work-related accident or serious injury is reported immediately to the relevant leader and business unit management. Within 24 hours, the report is escalated to: Corporate management, head of sustainability and VP communication.
  - o Incidents related to breach of environmental permits or hazardous waste is reported to proper authority without delay and to corporate management, head of sustainability and VP communication.

Each mill has designated Health, Safety, and Environmental (HSEQ) managers responsible for sustainability-related matters. Their key responsibilities include:

- Ensuring compliance with sustainability policies through regular follow-up and reporting.
- Providing sustainability competence and quality assurance at the mill or business unit level.
- Overseeing monthly reporting of health, safety, and environmental data to business unit management.
- Participating in monthly business review meetings with corporate management to discuss performance and compliance.

STANDARDISED DATA FRAMEWORK AND RISK MANAGEMENT

A key challenge in creating unified sustainability disclosures across multiple business units is mitigating human errors and data misalignment. To address this, the head of sustainability oversees a unified data framework for the entire group, ensuring:

- Standardised definitions and calculations for emissions, waste, and energy metrics.
- Compliance with the GHG Protocol through accurate emission factor assessments.
- A systematic risk prioritisation methodology to enhance data integrity and reliability.
- Centralised quality assurance, where the head of sustainability functions as an information hub, identifying and rectifying inconsistencies in data submitted by business units.

INTEGRATION OF A SUSTAINABILITY REPORTING TOOL

To further enhance data management and reporting, Norske Skog introduced a specialised sustainability reporting tool in 2024. This tool is designed to:

- Structure sustainability data for accurate and efficient reporting.
- Monitor adherence to reporting standards.
- Support real-time tracking of environmental performance indicators.

Initial configuration of the tool for manual data entry commenced at the end of 2024, with further developments planned throughout 2025, including the integration of supplier-specific Scope 3 data for a more comprehensive sustainability assessment. Additionally, Norske Skog has consolidated sustainability data into a central group data platform, improving accessibility to sustainability reports and supporting sustainability-driven decision-making across various functions.

ALIGNMENT WITH ESRS AND GOVERNANCE REPORTING

As of 2024, all sustainability data follows the accounting principles outlined by the European Sustainability Reporting Standards (ESRS). The head of sustainability plays a pivotal role in ensuring compliance and regularly informs the CFO and CEO about the progress of sustainability reporting. The CFO and CEO, in turn, provide updates to the board of directors, ensuring that sustainability efforts align with Norske Skog's long-term strategic goals.

Through this structured approach, Norske Skog ensures high-quality, transparent sustainability reporting that supports informed decision-making and regulatory compliance.

Norske Skog Bruck, recovered paper handling
Photo: Carsten Dybevig

3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)

KEY ELEMENTS OF GENERAL STRATEGY

- Products: Norske Skog produces publication paper, recycled packaging paper, energy, and bioproducts. In 2023, the group expanded into recycled containerboard production with the commissioning of new machines at Norske Skog Bruck and in Norske Skog Golbey from 2025.
- Markets: Norske Skog serves publication paper customers across Europe and Australasia. The new packaging paper segment primarily targets the European market. Key customer groups include publishers, retailers, and commercial printers.
- Employee headcount: The group employs 2 101people, with FTEs allocated as follows:
  - o Publication paper: 1 500–1 700
  - o Packaging paper: 200–400 (expected to rise with full-scale production)
  - o Bioproducts: <50
- Banned products: Norske Skog does not produce or distribute products banned in any markets.

BUSINESS ACTIVITIES IN SPECIFIC SECTORS

- Fossil fuels: Norske Skog is not active in coal, oil, or gas production. The group has transitioned to renewable energy, including a 50 MW waste-to-energy boiler at Norske Skog Bruck and 10% partnering in a 125 MW project at Norske Skog Golbey supplying the mill with energy.
- Chemicals production: Not applicable.
- Controversial weapons and tobacco: Norske Skog has no involvement in these sectors.

SUSTAINABILITY-RELATED GOALS

- Publication paper: Improve and optimise resource efficiency, reducing emissions and energy use.
- Packaging paper: Establish a leading position as an independent recycled containerboard producer.
- Vertical integration: Explore up- and downstream synergies to enhance sustainability and operational efficiency.

ASSESSMENT OF CURRENT MARKETS AND PRODUCTS

- Publication paper remains core, but the shift towards packaging paper diversifies revenue streams and reduces dependency on declining print markets.

Our sustainability initiatives are embedded in the main strategy:

- Optimising publication paper cash flows – improving resource efficiency and environmental compliance.
- Becoming a leading producer of renewable packaging paper – expanding sustainable packaging solutions.
- Vertical integration in the value chain – strengthening supply chain sustainability and traceability.

KEY SUSTAINABILITY COMMITMENTS

- 55% reduction in GHG emissions across scope 1 and 2 per tonne produced by 2030, compared with a 2015 baseline. And net zero emissions by 2050, across the same scopes.
- Zero ash to landfill by 2030.
- 100% certified wood sourcing.

KEY SUSTAINABILITY CHALLENGES AND SOLUTIONS

1. Climate change and energy efficiency – Investing in renewable energy, efficiency projects, and process optimisation.
2. Circular economy and waste management – Expanding the use of certified wood and recycled paper, optimising fibre utilisation, and minimising waste.
3. Water resource management – Enhancing wastewater treatment and adopting water recycling technologies.
4. Sustainable packaging production – Expanding containerboard production at Norske Skog Golbey and Norske Skog Bruck to meet the demand for renewable packaging.
5. Employee health and safety – Continuous training, risk assessments, and advanced workplace safety technologies.

Our operations span the entire value chain, from responsible raw material sourcing to advanced manufacturing and distribution, ensuring high-quality products for customers while minimising environmental impact.

INPUTS: RESPONSIBLE SOURCING AND RESOURCE MANAGEMENT

Our primary inputs include certified wood, recycled fibre, energy, and water. We source wood and wood chips exclusively from certified sustainable forestry operations (FSC® and PEFC™), ensuring traceability and environmental responsibility. Recycled fibre plays an increasing role in our packaging paper production, aligning with circular economy goals. Energy efficiency is a key focus, with increasing investments in renewable energy sources to reduce emissions and reliance on fossil fuels.

OUTPUTS AND VALUE CREATION

Norske Skog delivers high-quality publication paper and containerboard products to a global customer base. Our ongoing transformation towards packaging paper and bio-based products ensures long-term value creation for stakeholders:

- Customers: We provide sustainable and cost-effective paper solutions to publishers, packaging converters, and industrial users.
- Investors: By transitioning to growth markets such as packaging and bio-products, we secure long-term profitability and resilience.
- Communities and environment: Our commitment to sustainable forestry, waste reduction, and energy efficiency benefits local economies and reduces environmental impact.

VALUE CHAIN AND MARKET POSITION

Norske Skog operates across the upstream and downstream value chain, collaborating with key stakeholders:

- Upstream: Our raw materials are sourced from certified forestry operations and recycling partners. Suppliers include wood procurement companies, pulpwood providers, energy suppliers, and logistics partners ensuring sustainable and efficient delivery.
- Production: Our strategically located mills in Europe and Australasia produce publication and packaging paper with a focus on resource efficiency and sustainable production methods.
- Downstream: We serve a diverse customer base, including publishers, commercial printers, and packaging manufacturers. Products are distributed through direct sales, wholesalers, and large industrial customers, reaching end-users in publishing, retail, and consumer goods industries.

As Norske Skog continues its transformation, we remain committed to innovation, sustainability, and operational efficiency, ensuring long-term success in the evolving pulp and paper industry.

STAKEHOLDERS

Engaging actively with stakeholders shape our understanding of material issues and supports the creation of solutions and initiatives that form our ESG commitment and goal roadmap. Engagement generally involves the public affairs and investor relation teams, corporate management and mill management teams.

The table on the following page showcases our most significant stakeholders, methods of engagement and organisation, and the objectives and applications of these interactions. Stakeholder perspectives are essential features of our materiality assessment. The perspectives of key stakeholder groups inform our strategy and business model in the following ways:

- Regular engagement with our employees drives key parts of our people strategy and informs our approach to sustainability. Norske Skog integrates results from the employee engagement into our HR management processes and into sustainability decision-making, especially at mill levels.
- Norske Skog informs about procurement obligations and initiatives to the suppliers. Regular engagement with suppliers ensures dialogue and insight on supplier specific conditions and impact sourcing decisions.
- Central to our business model, Norske Skog's mills engage directly with local communities. Through regular collaboration, Norske Skog ensures insights into plans affecting the respective communities.
- Engagement with customers and end-users affects product and service development. Insights from regular B2B-customer affects product development ensuring Norske Skog's products continue to meet customers' needs.
- Norske Skog communication with stakeholders is reported to adequate managerial level and to proper governing bodies. The board of directors receives regular status on material matters regarding outcome of the communication with relevant stakeholders, especially when concerning operational and investment plans.

	Upstream			Operations	Downstream			
	Raw materials extraction and processing	**Tier 1 supplier**	**Upstream transport & distribution**	**Own operations and sales**	**Downstream raw materials distribution**	**Customers**	**End users/ consumers**	**End of life**
Activities/ suppliers	Forest owners	Harvesting activities	Incoming transport of raw materials	Manufacturing Sales Administration	Outgoing transport finished products	Printers Publishers Containerboard customers	Newspaper Magazine Containerboard Packaging end users	Recycling Landfill Energy recovery
Locations	Norway Sweden Austria Germany Australia	Norway Sweden Austria Germany Australia	EU Australia	Norway France Austria Australia Germany United Kingdom Switzerland	Worldwide	Worldwide	Worldwide	Worldwide
Affected stakeholders	Ecosystems (environmental organisations)	Ecosystems Workers harvesting	Nature Workers transportation	Employees Local communities Ecosystems	Workers transportation	Workers processing of sold products	Local communities	Workers waste handling Local communities

Stakeholders	How engagement is organised	Purpose of engagements	Outcomes of engagements
Own workforce: • Employees • Apprentices	• Continuous dialogue with union representatives and HR engagement • Employees & contractors can raise concerns through direct contact with the management and our online whistle-blower system	• Lowest possible score on health and safety concerns • Foster a collaborative and meaningful workplace • Include employee/contractor input into internal mechanisms • Developing fair labour practices and sustainability initiatives • Addressing workers' rights and concerns	• Improved and engaged business culture • Updates of internal policies • Improved health and safety performance
Affected communities	• Regular community consultations • Local affected community representatives	• Developing community engagement and support • Addressing financial, social and environmental impacts	• Ensure alignment of business operations with community needs and environmental standards • Positive community relations • Strengthened social license to operate
Customers	• Direct contact with customers • Feedback from sales organisations	• Understanding consumer needs and preferences • Ensuring products meet sustainability standards and consumer expectations	• Enhanced product quality and customer satisfaction • Increased brand loyalty and market share
Existing investors	• Conference calls • Board meetings • Quarterly reports • Annual and sustainability reports • Annual general meetings	• Maintain transparent communication • Meeting the needs of financial stakeholders for sustainability data • Upholding our duty to keep investors informed of ESG-related information.	• ESG rating improvement plans • Responses to investor queries • Aligning communication of our (sustainability) strategy to investors
Suppliers	• Direct through engagement with suppliers • Feedback from suppliers • Supplier audits • Annual ESG reports • The supplier code of conduct • Day to day correspondence	• A continual dialogue with our suppliers is critical to maintain our sustainability targets • Monitor our suppliers' ESG progression in order to assist in the assessment of ESG risks and pinpoint suppliers who demonstrate best practices	• Managed supplier expectations • Ensuring suppliers adhere to our business conduct standards and maintain the collaborative decarbonisation plans of Norske Skog
Industry bodies and regulators	• Member-only conferences • Joint initiatives and programmes	• Developing industry standards on sustainability • Understanding and engaging with value chain workers' representatives	• Ensure compliance with existing and future legislation • Maintaining industry knowledge of best practices

BRIEF DESCRIPTION OF MATERIAL IROS AND THEIR CONCENTRATION IN THE BUSINESS MODEL

Norske Skog has identified several material impacts, risks, and opportunities (IROs) through its materiality assessment, which affect both the operations and the upstream and downstream value chain.

- **Negative impacts:** Norske Skog's operations generate air and water pollution, greenhouse gas (GHG) emissions, and consume significant amounts of energy and water. Additionally, the sourcing of wood contributes to land degradation and deforestation, while industrial accidents pose a health and safety risk to employees.
- **Positive impacts:** The group contributes positively by utilising renewable and recycled resources, generating bio-based energy from waste, and promoting circular economy principles.
- **Risks:** Major risks include potential exclusion from the EU ETS market, fluctuating energy prices, water shortages, stricter regulatory permits, and dependency on natural resources like wood and recycled fibre. Reputational risks related to unethical business practices and poor gender diversity are also material.
- **Opportunities:** Norske Skog can capitalise on the demand for low-emission products, bio-based alternatives, and new business areas such as nanocellulose and bio-composites.

The concentration of these IROs varies across Norske Skog's value chain:

- Upstream: Wood sourcing, energy supply, and transportation.
- Operations: Mills' emissions, water usage, energy consumption, and employee safety.
- Downstream: Product recyclability, transportation, and evolving customer preferences.

FINANCIAL EFFECTS AND STRATEGIC RESPONSES

Norske Skog has already adapted its strategy to mitigate negative impacts and leverage opportunities.

- Financial effects: Exclusion from EU ETS and volatile energy prices could lead to significant cost increases. Water scarcity and stricter environmental regulations may raise operational costs. However, investment in bio-based alternatives and recycled packaging paper diversifies revenue streams, reducing dependence on declining publication paper markets.

- Strategic responses:
  - Transition towards renewable energy sources and increased energy efficiency.
  - Expansion into recycled containerboard production (Norske Skog Bruck and Norske Skog Golbey).
  - Strengthening responsible sourcing practices and biodiversity conservation efforts.

MATERIAL IMPACTS AND THEIR CONNECTION TO STRATEGY AND BUSINESS MODEL

(i) Impact on people and the environment

- Negative impacts: Pollution and emissions contribute to environmental degradation and health concerns, while industrial risks impact employee safety.
- Positive impacts: Circular economy initiatives and renewable energy production reduce the company's carbon footprint and contribute to resource efficiency.

(ii) Origin and connection to strategy

- Norske Skog's reliance on energy-intensive manufacturing and natural resources is integral to its business model, necessitating mitigation strategies.
- Sustainability efforts are embedded in Norske Skog's long-term strategy through increased use of recycled fibres and reduced fossil fuel dependency.

(iii) Time horizons of impacts

- Short-term (<1 year): As referenced in table on the following page.
- Medium-term (1-5 years): As referenced in table on the following page.
- Long-term (>5 years): As referenced in table on the following page.

(iv) Business relationships involved

- Norske Skog is involved through direct operational activities (mill emissions, sourcing) and indirect relationships (transport, suppliers). Close collaboration with suppliers, regulators, and customers is key to mitigating risks and capitalizing on opportunities.

CURRENT AND ANTICIPATED FINANCIAL EFFECTS OF MATERIAL RISKS AND OPPORTUNITIES

- Short-term: As referenced in table on the following page.
- Medium-term: As referenced in table on the following page.
- Long-term: As referenced in table on the following page.

PLANNED STRATEGIC ACTIONS

- Continued investment in renewable energy and bio-based products.
- Diversification into recycled packaging paper.
- Strengthening sustainable sourcing policies.
- Investing in water-efficient production technologies.
- Developing low-carbon business models to ensure long-term financial resilience.

RESILIENCE OF STRATEGY AND BUSINESS MODEL

Norske Skog's business model is resilient due to:

- A diversified product portfolio, reducing reliance on publication paper.
- Investments in bio-based alternatives and energy-efficient processes.
- Strong regulatory engagement and sustainability commitments.
- Long-term financial planning, including capex in new technologies.

Quantitative resilience analysis considers scenarios related to carbon pricing, energy availability, and climate change adaptation, ensuring the company can withstand market fluctuations and regulatory shifts.

CHANGES IN MATERIAL IROS COMPARED TO THE PREVIOUS REPORTING PERIOD

- Increased focus on recycled packaging paper as a new revenue stream.
- Enhanced climate resilience strategy, particularly regarding water and energy efficiency.
- Greater emphasis on biodiversity conservation and responsible sourcing.

SPECIFICATION OF IROS COVERED BY ESRS DRS VS. ENTITY-SPECIFIC DISCLOSURES

- ESRS DRs coverage: GHG emissions, energy consumption, water use, pollution, biodiversity, human rights (worker safety, diversity, ethical practices).
- Entity-specific disclosures: Circular economy innovations, bioproduct developments, industry-specific sustainability challenges, and political advocacy on EU ETS inclusion.

CONCLUSION

Norske Skog's material IROs are closely linked to its business model, driving strategic adaptations and investments. The company's resilience stems from its commitment to circular economy principles, energy efficiency, and sustainable sourcing. By addressing impacts, risks and leveraging opportunities, Norske Skog aims to ensure long-term sustainability and competitiveness.


Norske Skog Bruck, wastewater treatment plant
Photo: Stein Johnsen

4. Impacts, risks and opportunity management

MATERIALITY ASSESSMENT PROCESS

During 2024, Norske Skog conducted a double materiality assessment based on the requirements of the ESRS. The foundation of such an assessment involved identifying and objectively assessing impacts, risks and opportunities (IROs). The impacts, risks and opportunities identified in the DMA are described under the relevant topical ESRS in this report.

DMA-PROCESS METHODOLOGY

Identification of sustainability matters: Norske Skog's DMA process began with evaluating its business activities, value chain, and stakeholders to identify relevant sustainability topics, ensuring alignment with ESRS 1 and excluding non-material issues.

Assessment of Impacts, Risks, and Opportunities (IROs): IROs were evaluated based on impact materiality (environmental and social impacts) and financial materiality (risks and opportunities) using a scoring methodology considering severity, likelihood, and financial magnitude over short-, medium-, and long-term horizons.

Decision-making and integration: The results were validated through a dual bottom-up (mill level) and top-down (corporate level) process, discussed with the board of directors, and integrated into corporate strategy, with annual reviews to ensure continuous improvement and adaptation.

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

In the DMA-process, Norske Skog has evaluated these IROs to be material:

			Chain			Time horizon		
	Impacts, Risks and Opportunities (IRO)	Type	Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate change	**Climate change mitigation**							
	GHG emissions across the value chain	Impact, negative	x	x	x	x	x	x
	Low-emission products	Opportunity	x	x	x	x	x	x
	Exclusion from the EU ETS market	Risk		x		x	x	x
	Energy							
	Energy consumption	Impact, negative		x		x	x	x
	Energy prices	Risk		x		x	x	x
E2 Pollution	**Pollution of air (SOx and NOx)**							
	Pollution of air from boilers	Impact, negative		x		x	x	x
	Pollution of water							
	Discharge of process water	Impact, negative		x		x	x	x
E3 Water and marine resources	**Water withdrawal**							
	Water intensive production process	Impact, negative		x		x	x	x
	Potential water shortage	Risk		x				x
	Water discharge							
	Stricter permits levels	Risk		x		x	x	x
E4 Biodiversity and ecosystem	**Ecosystem services**							
	Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
	Dependency on natural resources: process water	Risk	x			x	x	x
	Land degradation							
	Degradation of land through felling of forests	Impact, negative	x			x	x	x
E5 Resources and circular economy	**Resource inflows including use**							
	Utilisation of renewable and recycled resources in production of products	Impact, positive	x			x	x	x
	Availability of recycled fibre for production of products	Risk	x			x	x	x
	Resource outflows related to products and services							
	Production waste	Impact, negative		x	x	x	x	x
S1 Own employees	**Working conditions**							
	Industrial accidents	Impact, negative		x		x	x	x
	Advocate for improved working conditions through freedom of association	Impact, negative		x		x	x	x
	Equal treatment and opportunities for all							
	Attract and keep top talent though training and skills development	Risk		x		x	x	x
	Poor gender diversity	Risk		x			x	x
G1 Business conduct	**Corporate culture**							
	Unethical business practice	Risk		x		x	x	x
	Protection of whistleblowers							
	Failure to protect whistleblowers	Risk	x	x	x	x	x	x

IDENTIFYING SUSTAINABILITY MATTERS

The initial phase focussed on evaluating Norske Skog's activities and business relationships, value chain and affected stakeholders to pinpoint relevant sustainability issues as outlined in ESRS 1, paragraph AR16. This approach ensured a thorough examination of critical sustainability topics in the pulp and paper industry, alongside the exploration of company-specific matters. Irrelevant sustainability topics and sub-topics that did not align with Norske Skog's business model were excluded from the analysis.

STAKEHOLDER ENGAGEMENT

The DMA process engaged several key personnel, corporate and mill management to evaluate Norske Skog's sustainability and business matters that have a material impact on future business unit operations in respective locations and their impact at group level. The following engagement was done to identify material risk and opportunities:

At mill level:

- Internal experts: The mill DMA teams are made up by the mill manager and other key personnel in different functional areas, including finance, human resources (HR), business development, health, environment and safety supply chain management and marketing with local knowledge on topics with strategic importance to the mills.
- External experts: Each mill has regular contact with local external stakeholder groups such as customers, suppliers, national permit agencies, NGOs, professional national trade organisations, local communities and forest owner association that support the identification and assessment of topics with strategic and financial importance.

At corporate level:

- Internal experts: The corporate management team has unique knowledge of financial, strategic and operational matters for the entire group. The Head of Sustainability and VP Communication and Public Affairs play a vital role in the DMA-process..
- External experts: The corporate management team has regular contact with key stakeholder groups for the group including policy makers, financial institutions, board of directors, shareholders, industry associations, key customers and suppliers.

Norske Skog did not organize separate stakeholder interviews as part of the DMA process. Norske Skog has continuous engagement with different stakeholder groups throughout the year regarding sustainability topics and this input was used actively throughout the DMA process.

ASSESSING IROS RELATED TO BUSINESS PRACTICES

The basis for identification of company specific IROs was the business model, strategy and value chain of Norske Skog. Company specific IROs identified in the DMA conducted in 2023 were used as a starting point for the 2024 DMA-process and linked with the long list of sustainability matters (ESRS topics, sub-topics and sub-sub-topics). No entity's specific sustainability matters were added to the list.

Certain segments of Norske Skog's supply chain received extra attention through cross managerial and cross function discussions, especially those with a significant potential impact and relevance to Norske Skog's operations. These areas included business risk related to production process, waste-water treatment, water availability, wood logging timing, as well as sustainable energy availability and product development according to market environ-mental expectation.

The assessment of climate-related impacts, risks, and opportunities was an integral part of the DMA concerning sustainability issues. Norske Skog carried out a revision of the identified climate-related risks and opportunities following the Task Force on Climate related Disclosure Framework (TCFD) in 2023. As part of this process, a climate-related scenario analysis was carried out in cooperation with CEMAsys, a Nordic ESG Consulting firm. Both processes supported the identification and assessment of physical and transitional risks and opportunities across different time frames.

The identification of IROs concerning business practices involved mapping out geographic areas with heightened potential impacts, risks and opportunities associated with corruption, bribery, and human rights issues. The process also revisited business conduct risks previously identified in Norske Skog's corporate standards and continuous compliance programme.

MATERIALITY SCORING APPROACH

The assessment of impacts, risks, and opportunities (IROs) followed ESRS 1 requirements, evaluating impact materiality (effects on people and the environment) and financial materiality (risks and opportunities). Impact materiality was scored from 1-5 based on severity (scale, scope, irremediability) and likelihood, prioritising human rights impacts. Financial materiality was scored separately on magnitude and likelihood, considering drivers like regulations, market, and reputation.

Scores were calculated by multiplying severity with likelihood (max 25) for impact materiality and magnitude with likelihood (max 25) for financial materiality. Issues surpassing a set threshold were classified as material. Assessments covered short- (<1 year), medium- (1-5 years), and long-term (>5 years) horizons, integrating strategic, budgetary, and due diligence data, including human rights and climate risk assessments.

A dual bottom-up (mill-level) and top-down (corporate-level) approach ensured comprehensive evaluation. Mills assessed local IROs with site-specific financial thresholds, while corporate teams consolidated results in validation workshops with sustainability, communication, and public affairs teams. Findings were presented to the board of directors. Continuous stakeholder engagement informed the process, involving 30-50 representatives across investors, suppliers, NGOs, and regulators.

DECISION – MAKING AND INTERNAL CONTROLS

Critical decisions in the process included scoring IROs, and the final assessment of sustainability matters in the workshop. Internal control measures were implemented throughout the process, ensuring that the scoring methodology was followed. Each IRO was documented to justify its materiality.

FUTURE STEPS – INTEGRATION, MONITORING, AND REVIEW

Norske Skog integrate results from the DMA process into the corporate strategy and incorporate responses to impacts, risk and opportunities into mill and corporate level monitoring and management processes. This may affect future type of investments, and level of capital expenditure.

Norske Skog commits to annually revisiting the DMA process for identifying, assessing, and prioritising IROs, considering evolving trends, underlying assumptions, context, and regulatory changes. A comprehensive review of the DMA will be conducted annually to ensure its efficacy and relevance. The DMA process will adjust to changes in climate related issues and company specific needs. However, the steps in the DMA methodology and stakeholder groups have been the basis for the latest assessment periods.

Each year the corporate and mill management will undergo and revise the DMA process. During the year, the head of sustainability at corporate level and local sustainability managers will monitor and report on action plans to adequate governing body.

As described in ESRS SBM-3, Norske Skog updated its materiality assessment which is based on the concept of double materiality. The assessment objectively scored impacts, risks and opportunities (IROs) as a basis for determining whether sustainability matters were material or not. This section describes the process applied to identify and assess material IROs. Norske Skog does not have a separate enterprise risk management tool (ERM) in performing a risk assessment process. The risk assessment is part of the business unit's process to prepare the DMA-evaluation, annual operational plans and long-term strategy.

Description of the process to identify and assess material climate-related IRO's

E1 CLIMATE CHANGE

In 2024, Norske Skog assessed its climate-related IROs, facilitated by the updated DMA. The identification and assessment of climate-related impacts focused on Norske Skog's GHG emissions from own operations as well as up- and downstream in the value chain. The GHG emission inventory served as the main source of information to identify drivers for climate related impacts in relation to the current and future business strategy. Recent assessment report from the Intergovernmental Panel on Climate Change (IPCC) and other international research provided context on GHG emissions impact on people and the environment.

The identification and assessment of climate-related risks and opportunities was supported by the revision of the Task Force on Climate related Disclosure Framework (TCFD) carried out in 2023, evaluating physical risks (acute and chronic), transition risks (policy, legal, technology, market, reputational) and opportunities (resource efficiency, energy source, products and services, markets, resilience).

With increased focus on climate change and its implications on current and future financial performance, Norske Skog carried out a climate-related scenario analysis in 2023, in cooperation with CEMAsys, a Nordic ESG Consulting firm. The scenario-analysis assessed access to process water and electricity in line with the recommendations laid out by the TCFD. The assessment used the IEA's Net Zero Emissions (1.5°C), IEA World Energy Outlook (WEO) 2022 and IPCC SSP1-2.6 "Sustainability" scenario to assess how our assets and business activities may be exposed to physical risks. For the assessment of transition risk IPCC's SSP5-8.5 scenario (4.0°C) was applied. The Net Zero 2050 scenario limits global warming to 1.5°C and includes stringent climate policies and rapid technological change to reach net zero CO2 emissions by 2050. Carbon price level EUR 250/tCO2e in 2050. IPCC's SSP5-8.5 scenario (4.0°C) assumes that only policies that have already been introduced are preserved, leading to high physical risks. Emissions continue to grow until 2080, resulting in up to 4.0°C of warming and severe physical risks, including irreversible changes such as higher sea levels.

As part of the scenario analysis CEMAsys conducted workshops and interviews with relevant leaders across the company as part of the process to make the analysis. Identifying climate-related risks and opportunities involved a top-down approach, as well as an 'outside-in' analysis of risks and opportunities specific to pulp and paper industry.

The findings from the scenario analysis were presented to the mill and corporate management team and will be considered as part of Norske Skog's strategy process to improve its resilience. The climate-related risks that were identified through the scenario analysis exercise have been incorporated into the annual strategic review process by Norske Skog's mills and the corporate management.

The timeframe used in the TCFD assessment and scenario analysis defined short-, medium- and long-term as 2025, 2030 and 2050 respectively. The 2030 timeframe aligns with Norske Skog's GHG emission reduction target and the 2050 timeframe align with Norske Skog's commitment to net-zero emissions by 2050, in accordance with the goal of the Paris Agreement.

Both the TCFD and scenario analysis evaluated the situation at each business and the entire organisation. The climate scenarios and related assumptions are compatible with the financial statements in this report.

Norske Skog Skogn, winder
Photo: Carsten Dybevig

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	**Type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
ESRS E1 Climate change mitigation							
GHG emissions across the value chain	Impact, negative	x	x	x	x	x	x
Norske Skog has a negative impact throughout the value chain on the climate. The upstream emission are connected to the logging activities and transportation of wood from the forest into the mill with trucks and train. The production process consumes large amount of heat from bioenergy and electrical power to transform the wood log into pulp for the production of paper. Emissions from both inbound and outbound transporters, and production process foster potential negative climate impact.							
Low-emission products	Opportunity	x	x	x	x	x	x
Norske Skog has an opportunity related to the finished goods which have relative emission level compared to other fossil alternatives. The containerboard production will deliver packaging paper to the market and be in direct competition with fossil plastic products. All the containerboard production in the group located in Norske Skog Bruck and Norske Skog Golbey, are based on recycled old corrugated case material. Similarly, the nanocellulose and biocomposites produced at Saugbrugs are based on wood logs, which is a renewable source. The opportunity to for capturing and delivering for storage the biogenic carbon emissions will reduce the finished goods carbon footprint and thus become more acceptable product for the consumers.							
Exclusion form the EU ETS market	Risk		x		x	x	x
The tentative exclusion of the two Norwegian mills, Saugbrugs and Skogn, from the Energy Trading System (ETS) poses a risk of severe financial impact. This exclusion of Norske Skog's Norwegian mills will, with a CO2 price of EUR 70, have a tentative, negative financial impact for the entire group. The share of biomass in producing heat from the bioboiler is above 95% and is thus above the ETS qualification level. Norske Skog has politically opposed the tentative exclusion.							
Energy							
Energy consumption	Impact, negative		x		x	x	x
Norske Skog's energy consumption has negative impact on the climate. The energy is used to process raw material into finished paper products using a mix of renewable and fossil energy sources. The energy consumption contains several sources of energy like hydro power, bio mass, production waste, natural gas and oil to produce heat to the production process in addition to electrical power from the grid, which also has elements of fossil sources from coal, LNG and oil. Norske Skog's energy intensive manufacturing processes in all mills require substantial energy sources. Non-renewable energy sources used in production has a negative impact on the environment.							
Energy prices	Risk		x		x	x	x
Norske Skog faces a competitive risk related to fluctuations in energy prices. The energy prices in Europe are mainly driven by supply and demand for energy. The volatility in energy prices derives from the last marginal supply of energy, which for the last years has been the price expectations of LNG.							

Norske Skog has entered into long- and medium term contracts with energy suppliers for most of the production capacity. Norske Skog will either have a non-cash profit or loss related to energy contracts depending on the actual energy price fluctuations.

Photo: Carsten Dybevig

E2 POLLUTION

Norske Skog is committed to addressing pollution-related impacts, risks, and opportunities across our operations and value chain. Norske Skog conducted a materiality assessment applying elements of the LEAP approach, focusing on pollution of air, water, soil, microplastics, substances of concern, and their dependencies on ecosystem services to evaluate their materiality and significance.

Screening Methodologies and Assumptions: To identify actual and potential pollution-related impacts, Norske Skog undertook a screening process across business units within our operations, assessing the interface with nature. This involved an evaluation of emissions from our direct assets, upstream, and downstream. The screening methodologies included detailed data collection on pollutant emissions, their severity, and likelihood of impacts on the environment and human health. The results provided a basis for comparing the environmental performance.

Consultations and community engagement: Norske Skog's commitment to transparency extended to consulting with affected communities to better understand their concerns and the potential impact of our operations on their environment and Norske wellbeing. The business units engaged in dialogue with local authorities and public and requested feedback from stakeholders residing near the sites and along the value chain. These dialogues help us gather valuable insights, build relationships, and foster a better understanding of the local concerns and expectations related to pollution and its management. Assessment of Risks and Opportunities: The above written approach guided our assessment, enabling the identification of transition risks and opportunities across the operations and the value chain. This involved evaluating policy and legal aspects, technological advancements, reputation changes, and potential physical risks arising from pollution incidents.

Opportunities were identified to access green financing, build resilience, and improve our reputation through proactive pollution prevention and control measures. The outcome highlighted specific site locations and business activities where pollution emerges as a material issue, enabling us to revisit the business strategy and prioritize actions to mitigate risks and leverage opportunities effectively.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS E2 pollution. Norske Skog has ensured the consideration of geographical areas, types of assets, inputs, outputs and distribution channels when describing upstream and/or downstream value chain material IROs.

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	**Type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Pollution of air							
Pollution of air from boilers	Impact, negative		x		x	x	x
All Norske Skog mills emit various pollutants, including volatile organic compounds (VOCs), sulphur dioxide (SO2), nitrogen oxides (NOx), and particulate matter (PM), during operations linked to production of heat with company owned boilers. The source of heat for the boilers contain a mix of renewable and non-renewable sources. These emissions contribute to air pollution, may lead to respiratory problems and environmental degradation.							
Pollution of water							
Discharge of process water	Impact, negative		x		x	x	x
The discharge of process water from the production process of publication paper and packaging paper causes a negative climate impact. A substantial amount of fresh water is needed to produce pulp and mix pulp with chemicals and other raw materials, which is used as input to produce the finished goods. The excess water from the production process is then processed through a wastewater treatment plant before the water is discharged to the nature. Only about 1% of the fresh water absorbed from the external source is used in the final products, the rest is discharged to the nature.							

E3 WATER AND MARINE RESOURCES

As part of our DMA process, Norske Skog have implemented processes to identify and assess material impacts, risks, and opportunities related to water and marine resources in our operations and value chain.

Norske Skog has applied elements of the LEAP approach to assess water and marine resources-related IROs by screening site locations and business activities to identify potential impacts on water and marine resources.

Norske Skog used historical statistics, feedback from experts and authorities in the water risk assessments, and marine resource evaluations to conduct this screening. In addition, Norske Skog mills conduct monthly environmental reporting (E-Index) to the corporate management and board of directors using Best Available Technology (BAT) reference values for paper and pulp production published by the EU Commission under the Industrial Emissions Directive. This data was also assessed during the process.

The climate-related scenario analysis carried out in 2023 that outlined future precipitation and climate change analysis was also used as a key source. Key areas of focus included locations with high water stress, potential water shortage and operations interfacing with marine resources. The discharge to water at all units follow strict reporting schedule to the authorities with specific attention to breach of permit. Breach of permit is severe and may be followed up sanctions from the proper authorities.

Norske Skog business units conducts regular consultations with affected communities on water-related topics.

Norske Skog's materiality assessment covered:

- Water use: Evaluated our consumption of surface and groundwater, including withdrawals and discharges, and water shortage and effluence issues at different sites.
- Marine resources: Assessed our use of marine resources and their impact on ecosystem health.

The driving assumption of using the above process is to first identify potential sites and/or business activities that have the potential to impact water and marine resources. Norske Skog identified negative impact on water use and physical risks related to periodic water scarcity and potential stricter permit level, and potential water restrictions in certain periods caused by climate change.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 3 water and marine resources.

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	**Type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Water withdrawal							
Water intensive production process	Impact, negative		x		x	x	x
The water intensive production process has a negative impact on the climate because of the large quantity of fresh water needed to produce publication paper and packaging paper. The process needs large amount of water to dissolve and mix the different input factors together into mechanical pulp and deinked pulp to produce finished goods. The water usage is about 100 times larger than the actual water being absorbed into the finished products.							
Potential water shortage	Risk		x				x
A potential water shortage, either permanent or temporary, may be a risk to stable production of publication paper and packaging paper. Water shortage due to uneven rainfall, increased drought and shrinking snowpacks have negative impact on the climate and may cause severe risk to the production process. Some areas will face excessive quantities of rainfall and higher temperatures causing challenging the logging periods and availability of clean water.							
Water discharge							
Stricter permits levels	Risk		x		x	x	x
The political and mainstream public increased attention to the environment and climate change results in stricter permit levels and poses a risk for the long-term existence and financial soundness of the pulp and paper industry. In areas with drought, uneven rainfall and shrinking snowpack combined with higher temperatures will affect the availability of fresh water. Fresh water will be a scarce resource in some areas. To avoid contamination of scarce water resources, the authorities have and will continue to impose stronger restrictions for the use of water, and thus, in the discharge of processed waste water being returned back into the main water resources.							

E4 BIODIVERSITY AND ECOSYSTEMS

Norske Skog have undertaken a review of our processes to identify and assess material impacts, risks, and opportunities related to biodiversity and ecosystems across our operations and value chain.

Norske Skog systematically screened all site locations and business activities to identify actual and potential impacts on biodiversity and ecosystems, including transition and physical risk. Systemic risk will be considered in the upcoming transition risk review. This process included the following key steps:

- Methodologies and tools: Tools used to identify biodiversity sensitive areas close to own operations include the IBAT biodiversity assessment tool. Norske Skog collaborate with forest associations and industry partners in the value chain through certification bodies like PEFC and FSC to enable the mapping and assessment of the ecological sensitivity of forest harvesting and the impact it has on biodiversity and ecosystems.
- Regular interactions: There are regular interaction through supplier and customer relationship with forest owners and through membership industry associations to evaluate the reports describing any breach of the certification standard. In addition, Norske Skog gather through dialogue with NGOs, research institutes like NIBEO in Norway and the authorities an extensive overview of the environmental impact, risk and opportunities related to biodiversity and ecosystems.
- Assumptions: The assessment assumed that all operations and sourcing of wood from areas within or near biodiversity hotspots and protected areas pose a higher risk to biodiversity. Norske Skog prioritised these areas for detailed assessment.
- Screening results: The screening identified areas where our operations intersect with sensitive ecosystems, particularly in regions where land-use change, pollution, and freshwater use are significant concerns. Plans are being developed for how to monitoring, and specific mitigation plans are being developed.

Regular dialogue and consultations have been conducted with affected communities and other stakeholders as part of the screening process. This supported gathering insights on local ecological context and dependencies on ecosystem services. The following areas were paid attention to during the year:

- Supply chain: Evaluate how timber harvesting affects local ecosystems, focusing on sustainable forest management including mitigating activities and effectiveness of certification schemes like FSC or PEFC.
- Operations: Assess effluent management, and water usage at production facilities and their effects on local biodiversity.
- Land use: Consider land occupation and conversion, especially in areas near protected habitats or biodiversity-rich zones.

In alignment with AR 4 and AR 6 of the ESRS E4 guidelines, our materiality assessment focused on the following aspects:

Contribution to direct impact drivers on biodiversity loss:

- Climate change: Norske Skog evaluated our greenhouse gas emissions and their contribution to climate change, which is a driver of biodiversity loss.
- Land- and water use change: Our operations' impact on land- and water-use change.
- Direct exploitation and pollution: The effects of resource extraction and pollution from our operations were examined.
- Invasive species: The potential for our activities to introduce or spread invasive alien species was considered like the spread of bark beetle.

Impacts on species and ecosystems:

- Species population and extinction risk: Norske Skog considered our operations' impact on local species populations and their global extinction risk, focusing on endangered species.
- Ecosystem condition and services: The extent and condition of ecosystems in proximity to our operations were evaluated, including the impact on essential ecosystem services such as water purification and climate regulation.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 4 biodiversity and ecosystems.

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	**Type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Ecosystem services							
Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
Norske Skog has mills that are entirely dependent on sourcing of wood, which causes a risk due to possible future scarcity of forest resources. The availability may be affected by overexploitation due to high demand, deforestation issues, climate change, loss of biodiversity, erosion and high and volatile market price of wood. Also social conflicts, such as land use disputes, stricter environmental regulation and revised certification mechanism will affect the sourcing of wood.							
Dependency on natural resources: process water	Risk	x			x	x	x
The availability of fresh water for the process to produce publication paper and packaging paper is a business risk for Norske Skog. Higher temperatures regardless of future climate scenario, the climate change will result in precipitation changes. Some mills will encounter periods with increased drought, uneven rainfall and shrinking waterfall causing a risk of not having adequate water to justify industrial production before the general public. Lack of water resources may cause ecological and biodiversity threats followed by stricter water usage restrictions.							
Land degradation							
Degradation of land through felling of forests	Impact, negative	x			x	x	x
Norske Skog consumes large quantities of forest resources which is having a negative impact on the climate. The felling of forest has several negative impact on degradation of land. This exacerbates loss of sequestration through loss of CO2 absorption and release of stored carbon. In addition, the logging cause deforestation and thus soil erosen and loss of soil fertility. Other consequences are loss of biodiversity and ecosystems imbalance. Without proper climate actions, it may trigger reduced regrowth and irreversible transformations of land.							

E5 RESOURCE USE AND CIRCULAR ECONOMY

Norske Skog have assessed the operations and the value chain to identify material impacts, risks, and opportunities related to resource use and the circular economy. The process involved a comprehensive screening of our assets, activities, and relationships within our upstream and downstream value chain.

Relevant assumptions for reviewing the impact, risk and opportunity assessment:

1. Concentration of impacts in the business model and value chain

- Norske Skog's positive environmental impacts are integrated across its operations and value chain. In the upstream segment, the company sources fresh fibre from sustainably managed forests and recovered paper from recycling suppliers. The efficient use of these materials supports the circular economy and minimizes environmental impact. Within its operations, Norske Skog's mills optimise energy and raw material utilisation while repurposing production waste for energy generation and product development. Downstream, the company's recycled and renewable products contribute to reducing reliance on virgin raw materials, aligning with global sustainability goals and regulatory frameworks.

2. Current and anticipated effects of impacts on business model and strategy

- The focus on renewable and recycled resources is a cornerstone of Norske Skog's long-term strategy. The increasing demand for sustainable products has led to diversification into recycled containerboard and bio-products, reinforcing the company's market position and resilience. The shift from fossil-based materials to bio-composites and circular resource use aligns with regulatory trends and consumer preferences, driving continued investment in energy efficiency and waste reduction initiatives. The new thermo-mechanical pulp line at Norske Skog Skogn is an example of ongoing strategic adaptation to enhance resource efficiency and reduce emissions.

3. Description of material positive and negative impacts

- Norske Skog's sustainability initiatives have direct positive effects on the environment, including reduced carbon emissions, lower landfill waste, and decreased dependency on fossil fuels. The integration of recycled materials into production decreases deforestation pressures while promoting a circular economy. However, a key risk is the availability and cost of recycled fibre, which could impact profitability and production stability. If demand for recycled fibre increases due to regulatory requirements or alternative uses in other industries, Norske Skog may face supply chain challenges. These impacts are closely connected to the company's strategic focus on sustainability and resource efficiency. The expected time horizon for these impacts ranges from immediate operational adjustments to long-term industry transformations.

4. Resilience of strategy and business model

- Norske Skog's strategy is resilient to environmental and market risks through continuous innovation, diversification, and vertical integration within the value chain. Norske Skog employs a qualitative and quantitative approach to assessing resilience, including investments in waste-to-energy technologies, bio-product development, and process optimisation. Norske Skog's resilience is further strengthened by its ability to adapt to regulatory changes and evolving market preferences. By securing access to renewable energy, improving and raw material efficiency, Norske Skog ensures long-term sustainability and competitiveness.

Screening methodologies: Circular economy aims to reduce impacts on nature, by minimising the environmental impact of products, materials and other resources, minimising waste and the release of hazardous substances. Regarding E5, the assessment utilised methodologies applied under ESRS E1 (including energy consumption), ESRS E2 (pollution), ESRS E3 (water) and ESRS E4 (biodiversity, ecosystems, raw materials) to evaluate dependencies and impacts, identifying resource inflows, outflows, waste generation, and their environmental impact.

Consultation and engagement: Dialogue with affected communities, NGOs and value chain partners played a pivotal role in our assessments, which provided invaluable insights into community perspectives, enabling a more holistic evaluation of our impacts and risks. Norske Skog mill personnel and group directors maintain regular engagement through personal meetings, Teams calls, and site visits with customers, suppliers, local authorities, and relevant NGOs.

Material Risks And Opportunities: Assessing material risks and opportunities was a critical aspect of our process. This involved identifying transition risks and opportunities across policy and legal, technological, market, and reputational aspects. Physical risks such as resource depletion were also carefully evaluated. Opportunities emerged in the nature of the finished good, in resource efficiency, alternative markets, waste handling, resilient strategies, and reputation enhancement, emphasising a shift toward circularity and reduced resource dependence. The nature of the finished product, especially considering the carbon footprint and the level of reusable raw material, in addition to the energy production with household and production waste, give specific commercial advantages for the buyers.

Methodologies and tools utilised: In assessing our impacts, risks, and opportunities, Norske Skog relied on internal calculations, investment strategies, environmental footprint data and other analysis. These frameworks provided robust analytical support, enabling a comprehensive evaluation of our operations and value chain. In addition to our process identifying and assessing resource use and circular economy-related IROs, Norske Skog measures and reports on the waste, process leftover and water discharge generated from our operations.

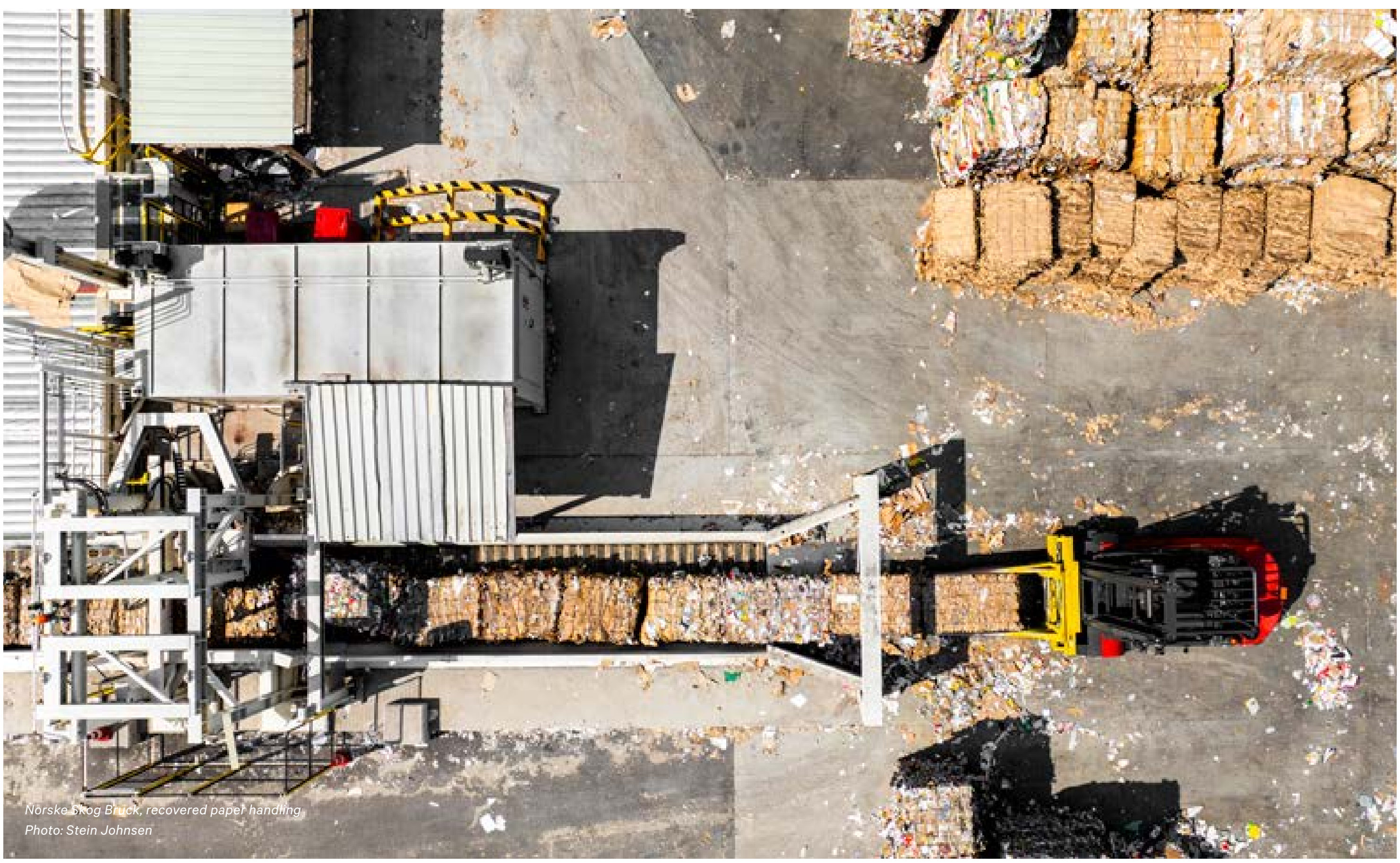
Outcomes of the assessment: The nature of Norske Skog's business model is to use renewable sources of energy and 100% recycled material for packaging paper production and a mix of renewable and virgin materials for publication paper production.

Waste from the production process, waste from the wastewater treatment plant and bark from the wood may be used as a source of energy to the bio boiler. However, the ash from the bio boiler is either commercially exploited or disposed in public deposits. There are special internal control routines handling all hazardous waste, which is being controlled and sent to officially certified public deposit.

Norske Skog's commitment to sustainability and circular economy principles is deeply embedded in its business model, operations, and upstream and downstream value chains. The company's use of renewable and recycled resources, waste-to-energy initiatives, and waste utilisation for product development contribute significantly to reducing its environmental footprint while enhancing economic efficiency. However, there are also risks associated with the availability of recycled fibre for production due to market demand and policy influences.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS 5 resources and circular economy.

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short term	Time horizon: Medium term	Time horizon: Long term
Resource inflows including use							
Utilisation of renewable and recycled resources in production of products	Impact, positive	x		x	x	x	x
Norske Skog uses renewable and recycled resources in the production of finished goods, which have several positive impacts on the environment up- and downstream in the value chain. By reusing the finished goods and using renewable resources, Norske Skog lowers the carbon footprint and help store carbon in the product life cycle. Recycling materials also help establish circular economy in which materials are being reused encouraging reduced demand for virgin raw materials. In addition, less waste is being sent to landfill by reusing materials lessening environmental contamination.							
Availability of recycled fibre for production of products	Risk	x			x	x	x
Because the authorities' climate change policy encourage use of recycled fibre in the production of paper products, it is a risk that there will be scarce availability at sustainable price level to produce paper products due to the purchasing power of our customers. Also, the use of recycled fibre may find other alternatives to paper products causing scarcety.							
Resource outflows related to products and services							
Production waste	Impact, negative		x	x	x	x	x
Waste generated from the production process, if not properly managed, can have several negative environmental impacts. Landfilling production waste, such as bark, sludge, and ash, can contribute to soil and water contamination, releasing harmful substances into surrounding ecosystems. Additionally, decomposing organic waste in landfills produces methane, a potent greenhouse gas that contributes to climate change. Improper waste disposal can also disrupt local biodiversity and ecosystems by altering soil composition and contaminating water sources.							



Norske Skog Bruck, recovered paper handling
Photo: Stein Johnsen

S1 OWN EMPLOYEES

Norske Skog identifies material impacts, risks, and opportunities related to its employees by considering various criteria, including health and safety standards, which are paramount in ensuring a secure working environment. The company evaluates potential safety hazards in the process industry and pulp and paper as a key element in the assessment.

Other criteria which are central in the assessment process is working conditions, employee wellbeing and development. Norske Skog mills conduct regular surveys and feedback sessions to understand employee needs and concerns. This helps identifying areas for improvement in work-life balance, professional growth opportunities, and overall job satisfaction.

Additionally, Norske Skog considers diversity and inclusion as essential factors in its assessment process. The company reviewed its hiring practices, promotion policies, and workplace culture related to equality and zero tolerance for discrimination.

Through regular consultations and structured dialogues with trade unions and employee representatives, Norske Skog gathers insights on employee concerns, workplace conditions, and potential risks. This collaborative approach ensures that management remains informed about the needs and expectations of its workforce, allowing the company to address issues proactively and leverage opportunities for improvement. By integrating feedback from unions into its assessment process, Norske Skog fosters a transparent and inclusive environment that prioritizes employee wellbeing and organisational resilience.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS S1 own employees:

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	Type	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Working conditions							
Industrial accidents	Impact, negative		x		x	x	x
Norske Skog has a negative impact on the health and safety of own workforce related to relevant risks within our industry and type of operations. Employees working in operations (process operators) are exposed to heavy machinery, hot media, harmful chemicals and risk of fires 24/7 due to shift work and continuous operations. This can lead to work related accidents and loss of life. Process operators are exposed to highest risk and other employee categories at mill sites are exposed to moderate risk. The negative impact is systemic for our industry.							
Advocate for improved working conditions through freedom of association*	Impact, negative		x		x	x	x
Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where the majority of Norske Skog employees are located. The existence of work councils and collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.							
Equal treatment and opportunities for all							
Attract and keep top talent though training and skills development	Risk		x		x	x	x
Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from a risk).							
Poor gender diversity	Risk		x			x	x
The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Poor gender diversity can lead to reputational risk and negatively impact recruitment, customers and financing. The risk is considered systemic and derived from the impact "poor gender diversity".							

** The following sub-sub-topics have been combined into one sub-sub-topic, "Freedom of association and collective bargaining" as they overlap and often addressed as one topic:*
1) Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
2) Collective bargaining, including rate of workers covered by collective agreements
3) Social dialogue

G1 BUSINESS CONDUCT

Norske Skog identifies material impacts, risks, and opportunities related to business conduct matters through a comprehensive process that considers various criteria. The group evaluates the location of its operations, recognizing that regional regulations and socio-economic conditions can significantly influence business conduct. For instance, operations in areas with stringent environmental laws require more robust compliance measures. Additionally, Norske Skog assesses the activity type, such as manufacturing or distribution, to determine specific risks and opportunities associated with each operational phase.

The sector in which Norske Skog operates is another critical criterion. As a major player in the international publication paper market, the company must adhere to industry-specific regulations and standards, ensuring ethical and sustainable practices throughout its value chain. This sectoral focus helps in identifying unique risks, such as those related to deforestation and carbon emissions, and opportunities like advancements in recycling technologies.

Finally, the structure of the transaction is scrutinised to ensure transparency and integrity. This includes evaluating the nature of business relationships, such as partnerships and supply chain agreements, to mitigate risks of corruption and ensure compliance with anti-trust laws. By integrating these criteria into their assessment process, Norske Skog aims to uphold high standards of business conduct and sustainability.

Here is an overview with the materiality matrix of the material impacts, risks and opportunities for ESRS G1 business conduct:

		Location in value chain			Time horizon		
Impacts, Risks and Opportunities (IRO)	**Type**	Upstream	Own operations	Downstream	Short term	Medium term	Long term
Corporate culture							
Unethical business practice	Risk		x		x	x	x
Norske Skog is a global company, and engaging with international business partners inherently carries the risk of unethical practices. Within our own operations, the sales and procurement organisations face an elevated risk when securing contracts. Such incidents could result in fines and reputational damage, potentially undermining trust and relationships with customers, suppliers, and employees.							
Protection of whistleblowers							
Failure to protect whistleblowers	Risk	x	x	x	x	x	x
Failure to protect whistleblowers could lead to reputational damage and undermine trust and relationships with customers, suppliers, and employees. A failure to uphold the anonymity principle may result in job insecurity and negatively impact the whistleblower's wellbeing.							

Norske Skog Bruck, packaging paper line
Photo: Stein Johnsen

1

ENVIRONMENT

Photo: Carsten Dybevig

Climate change (ESRS E1)

EU TAXONOMY

TAXONOMY ELIGIBLE AND ALIGNED ACTIVITIES

The main economic activities of Norske Skog, production of publication paper and containerboard, are not yet included in the EU taxonomy.

In 2024 the Norske Skog group carried out its first assessment of side-stream activities listed in the EU taxonomy economic activities and identified 4 eligible activities to report on. The internal mapping of activities and related assessment of eligibility and alignment has been carried by Norske Skog teams at the headquarter and at the mills, with technical guidance from external topic matter experts.

The activities have been assessed for eligibility under all environmental objectives and have been found to only be eligible under Climate Change Mitigation. No costs have been found eligible under climate change adaptation.

None of the identified eligible activities meet the alignment criteria. The reason for this is lack of the following documentation at the time of publication of this report:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport: Substantial contribution criteria number 2. and 3 and do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.24 Production of heat/cool from bioenergy: Substantial contribution criteria number 2 and do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.25: Production of heat/cool using waste heat: do no significant harm (DNSH) criteria on pollution prevention.
- CCM 4.30 High efficiency co-generation of heat/cool and power from fossil gaseous fuels: Substantial contribution criteria number 2 and do no significant harm (DNSH) criteria on pollution prevention.

During 2025 Norske Skog will evaluate necessary processes to assess alignment for selected eligible activities.

Code	Economic activity	Mill	Description
CCM 4.13	Manufacture of biogas and biofuels for use in transport and of bioliquids	Saugbrugs	Biogas production produced from wastewater streams related to manufacturing of publication paper. The biogas is sold and used for utility vehicles in Halden, Norway.
CCM 4.24	Production of heat/cool from bioenergy	Skogn, Bruck	Waste streams (e.g. bark, sludge) from production process are utilised for production of heat in bio boilers. The heat generated is utilised in own production processes of publication paper and containerboard.
CCM 4.25	Production of heat/cool using waste heat	Bruck	Heat exchangers in production extract heat that is sold as district heating to the local community. The operator of the district heating network is an external third party.
CCM 4.30	High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	Bruck	Natural gas is utilised for cogeneration of heat and power in bio boilers. Generated power and heat is utilised in production of publication paper and containerboard.

ACCOUNTING PRINCIPLES

KPIs for turnover, capital expenditures (capex) and operational expenses (opex) are presented in separate tables.

Turnover

The total turnover in the Taxonomy calculation is in line with the total operating revenue presented in the consolidated financial statements and cover continued operations. This includes external sales only.

Contributing activities:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids: Turnover from Norske Skog Saugbrugs, Norway.
- CCM 4.24 Production of heat/cool from bioenergy: Turnover from Norske Skog Bruck, Austria. Turnover is not related to sale of energy, but external sale of ash which is utilised as an input factor in production of cement.

Opex

The taxonomy opex includes costs related to maintenance, optimisation, short term lease, non-capitalised research and development and other direct cost related to running operations such as consultants and services in production. opex is derived from Cost Center of the respective activities in SAP and include direct non-capitalised costs related to the economic activities.

Categories that should not be included according to the EU taxonomy, and that are easy to identify in the existing accounts, have been excluded from the calculations, such as cost of raw materials and energy, and admin costs not related to production.

Contributing activities:

- CCM 4.13 Manufacture of biogas and biofuels for use in transport and of bioliquids.
- CCM 4.24 Production of heat/cool from bioenergy.
- CCM 4.25 Production of heat/cool using waste heat.
- CCM 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels.

Capex

The total capex in the Taxonomy calculation is in line with the group's total capital expenditure in 2024, presented in the consolidated financial statements, note 17 and 18. Capex from the Norske Skog Boyer mill in Australia, has been excluded from the calculation of opex, in line with reporting of discontinued operations in the financial statements. The Taxonomy-eligible capex include investments related to the assets and processes related to the reported economic activities.

Contributing activities:

- CCM 4.24 Production of heat/cool from bioenergy at Norske Skog Skogn, Norway.

Minimum safeguards

Norske Skog has started the assessment of minimum safeguards in the EU taxonomy and will continue the assessment in parallel with the alignment criteria in 2025.

TURNOVER

Financial Year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code	Turnover	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned or eligible Turnover, 2023	Category enabling activity	Category transitional activity
		NOK	%	Y; N; N/EL"	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																	NA		
Of which enabling																	NA	E	
Of which transitional																	NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taconomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	2.99	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Production of heat/cool from bioenergy	CCM 4.24	4.75	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Production of heat/cool using waste heat	CCM 4.25	0.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								NA		
Turnover of taxonomy eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		7.74	0.08%	%	%	%	%	%	%								0.04%		
A. Turnover of taxonomy eligible activities (A.1+A.2)		7.74	0.08%	%	%	%	%	%	%								0.04%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of taxonomy non-eligible activities		10 156.26	99.92%																
TOTAL		**10 164.01**	**100%**																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL - Taxonomy-eligible activity for the relevant objective

CAPEX

Financial Year 2024	2024			Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code	CapEx	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned or eligible CapEx, 2023	Category enabling activity	Category transitional activity
		NOK	%	"Y; N; N/ EL"	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
																	NA		
CapEx of environmentally sustainable activities (taxonomy-aligned) (A.1)																	NA		
Of which enabling																	NA	E	
Of which transitional																	NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taconomy-aligned activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.00	0.00%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								NA		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0.00	0.00%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								NA		
Production of heat/cool from bioenergy	CCM 4.24	104.45	7.45%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								3.81%		
Production of heat/cool using waste heat	CCM 4.25	0.00	0.00%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								NA		
CapEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		104.45	7.45%	%	%	%	%	%	%								3.81%		
A. CapEx of taxonomy eligible activities (A.1+A.2)		104.45	7.45%	%	%	%	%	%	%								3.81%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy non-eligible activities		1 297.50	92.55%																
TOTAL		**1 401.95**	**100%**																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL - Taxonomy-eligible activity for the relevant objective

OPEX

Financial Year 2024		2024		Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)									
Economic activities	Code	OpEx	Proportion of turnover 2024	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of taxonomy aligned or eligible OpEx, 2023	Category enabling activity	Category transitional activity
		NOK	%	"Y; N; N/ EL"	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y; N; N/ EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (taxonomy-aligned)																			
																	NA		
OpEx of environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00	0.00%	%	%	%	%	%	%								NA		
Of which enabling		0.00	0.00%	%	%	%	%	%	%								NA	E	
Of which transitional		0.00	0.00%	%													NA		T
A.2 Taxonomy eligible but not environmentally sustainable activities (not taconomy-aligned activities)																			
				EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL	EL; N/ EL										
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM 4.30	0.14	0.03%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.04%		
Manufacture of biogas and biofuels for use in transport and of bioliquids	CCM 4.13	0.23	0.05%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.05%		
Production of heat/cool from bioenergy	CCM 4.24	8.43	1.99%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								1.63%		
Production of heat/cool using waste heat	CCM 4.25	0.44	0.10%	EL	N/ EL	N/ EL	N/ EL	N/ EL	N/ EL								0.11%		
OpEx of taxonomy eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		9.24	2.18%	%	%	%	%	%	%								1.83%		
A. OpEx of taxonomy eligible activities (A.1+A.2)		9.24	2.18%	%	%	%	%	%	%								1.83%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy non-eligible activities		414.40	97.82%																
TOTAL		**423.64**	**100%**																

Y – Yes, taxonomy-eligible and taxonomy-aligned activity with the relevant environmental objective
N – No, taxonomy-eligible but not taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, taxonomy non-eligible activity for the relevant environmental objective
EL - Taxonomy-eligible activity for the relevant objective

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

1. Strategy

Leading international institutions like the United Nations (UN) and the International Panel on Climate Change (IPCC) have documented how climate change poses as a significant challenge to our planet, impacting ecosystems, weather patterns, and human livelihoods and stressed the need to limit global temperature increases to 1.5OC compared with pre-industrial levels. The decisions and consensus from related international conferences has an impact on the way we operate, from industrial facility operations to the entire value chain, including raw material sourcing, energy use, production and distribution.

Norske Skog recognizes its responsibility to mitigate efforts of climate change through sustainable business practices and commits to create shareholder value while delivering on ambitious emission reduction targets and supplying low-emission products, aligning with the goal of the Paris Agreement. Our strategy is designed to meet these global changes, enhancing our group's valuation and local reputation. Norske Skog will strive to achieve net zero emissions in scope 1 and 2 by 2050, positioning us as a competitive leader in a net zero economy. Norske Skog's environmental policy is an integral part of the strategy to achieve Norske Skog's business goals.

The strategic ambition of Norske Skog is to "Create green value", and for all business units to:

1. Reduce greenhouse gas (GHG) emissions in own operations and across the value chain
2. Operate on renewable energy

The reduction of greenhouse gases was integrated as a key part of the business strategy and the business model in 2020. This ambition drives the commitment across the group to reduce energy consumption, increase the share of renewable energy sources and to optimise transport to reduce emissions and impact on the climate.

Greenhouse gas emissions occur primarily from energy generation processes. All mills have their own boilers or incinerators producing thermal energy from production waste, like bark, and other residues. Fossil fuels in the form of natural gas, oil and coal may also be used. The main emissions associated with these activities include carbon dioxide, particulates, sulfur dioxide and nitrogen oxides. Such emissions have a negative impact on climate change.

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Norske Skog does not currently have a climate change transition plan. However, Norske Skog is in the process of developing a transition plan compliant with the requirements in ESRS E1-1 by 1 January, 2026. Norske Skog has established an environmental policy to prevent, mitigate and remediate actual and potential impacts in order to address risks and to pursue opportunities. The policy is available on www.norskeskog.com/sustainability.

Norske Skog Bruck, wood log conveyer
Photo: Carsten Dybevig

2. Impacts, risks and opportunities

ESRS E1 CLIMATE CHANGE

Material Impacts risks and opportunities

			Location in value chain			Time horizon		
	Impacts, Risks and Opportunities (IRO)	Type	Upstream	Own operations	Downstream	Short term	Medium term	Long term
E1 Climate change	**Climate change mitigation**							
	GHG emissions across the value chain	Impact, negative	x	x	x	x	x	x
	Low-emission products	Opportunity	x	x	x	x	x	x
	Exclusion form the EU ETS market	Risk		x		x	x	x
	Energy							
	Energy consumption	Impact, negative		x		x	x	x
	Energy prices	Risk		x		x	x	x

CLIMATE CHANGE IMPACTS

The materiality assessment outlined in ESRS IRO-2 identified the following material impacts:

Emissions from own operations and value chain

Norske Skog's manufacturing processes of publication paper and container-board products require substantial amount of energy. Part of this energy consumption is covered by fossil energy sources which release GHG emissions.

The emissions from Norske Skog's own operations have a negative impact on the climate with 250 000 tCO2e of Scope 1 emissions and 149 000 tCO2e of scope 2 emissions (location-based accounting) emitted during 2024, and 810 000 tCO2e of Scope 3 emissions emitted across the value chain over the same period. This negative impact is a consequence of energy infrastructure in our mills, the grid mix and business relationships with suppliers and customers. The impact occurs in the short-, medium- and long-term.

The source of Scope 1 emission is mainly related to the coal fired boiler at the Boyer mill on Tasmania in Australia, which represented 63% of group Scope 1 emissions in 2024. Similarly, 74% of Scope 2 emissions (location based) is from the Boyer mill. Scope 3 emissions represent 67% of Scope 1, 2 and 3 emissions combined for the group where transportation and distribution in the entire value chain represent 48% of the group Scope 3 emissions.

Norske Skog mitigates its material climate change impacts by implementing measures on reducing Scope 1 and 2 emissions from its operations through energy efficiency measures and increasing the use of renewable energy sources and scope 3 by engaging with up- and downstream value chain partners, particularly transporters of wood logs for pulp production, household waste for the energy boilers and finished goods to end-customers to address and minimize Scope 3 emissions, acknowledging the significant role of GHG emissions from logistics in pulp and paper industry.

Energy consumption

The production of publication and packaging paper is an energy-intensive process. Norske Skog's manufacturing processes in all mills require substantial resources that can have a negative impact on the environment and people. The energy is used to process raw material into finished paper products using a mix of renewable and fossil energy sources. The energy consumption contains several sources of energy like hydro power, biomass, production waste, natural gas and oil to produce heat to the production process in addition to electrical power from the grid, which also has elements of fossil sources from coal, LNG and oil. Non-renewable energy sources used in production has a negative impact on the environment.

Energy is used mainly for two purposes:

- To separate, process and transport fibre and water (electrical energy). The electricity is sourced from external suppliers. Most of the electricity is used to mechanically convert roundwood and wood chips into fibres, called thermomechanical pulping (TMP) process.
- To provide process heat and to dry the paper (thermal energy). Thermal energy is used for the heating and drying of paper. In contrast with electrical energy, thermal energy is mostly generated within the mill.

Climate change risks and opportunities

With increased focus on climate change and its implications on Norske Skog's current and future financial performance, Norske Skog carried out a revision of the identified climate-related risks and opportunities following the Task Force on Climate related Disclosure Framework (TCFD) in 2023. As part of this process, a climate-related scenario analysis was carried out in cooperation with CEMAsys, a Nordic ESG Consulting firm focusing on Norske Skog's own operations. These two processes informed the double materiality analysis carried out in 2024.

The materiality assessment outlined in ESRS IRO-2 identified two material transition risks and one opportunity.

Climate-related transition risks		How Norske Skog's business model and/or strategy mitigate risks
Policy & legal	**Exclusion from the EU ETS market**	**Norske Skog's revenue model**
	In 2024, Norske Skog's Norwegian business units were given prior notice by local authorities of a potential exclusion from the EU Emission Trading Scheme (ETS) from 2026, since more than 95% GHG emissions are derived from biomass. Norske Skog will have a competitive disadvantage if not being able to receive free allowances in the period 2026 to 2030. The phasing out of EU ETS schemes represents a financial risk that will lead to increased operating costs.	The revenue model of Norske Skog's Norwegian business units are exposed to income sources linked to free allowances received under the EU ETS which are sold in the open market. Norske Skog needs to be defined within the EU-ETS due to the use of not certified wood for the years 2019-2022.
Market	**Energy prices**	**Norske Skog's strategy and revenue model**
	Being in an energy intensive industry, Norske Skog is strongly impacted by changes in the energy systems and its related mechanisms. Increasing energy prices and price fluctuations is a risk to increased operating cost.	Norske Skog need to have access to stable and predictable energy sources. Norske Skog has invested in low-emission energy generation in Norske Skog Bruck and Norske Skog Golbey and will continue to evaluate opportunities going forward to reduce exposure to low emission energy prices in the market.

Climate-related opportunities		How Norske Skog's business model and/or strategy can realise the opportunity
Products	**Low emission products**	**Norske Skog's strategy to offer low emission products**
	Norske Skog sees shifting consumer preferences and trends towards low emission paper and packaging solutions as well as bio-products. As more consumers and businesses prioritise environmental concerns, Norske Skog will leverage this opportunity by continuing to lower emission along the value chain. In the long run this include Bioenergy with Carbon Capture and Storage (BECCS).	Norske Skog has partly adapted to changing market dynamics by investing in low-emission production processes and products, demonstrating its commitment to environmental stewardship. Going forward Norske Skog will continue to tap into this opportunity and evaluate opportunities as they become commercially viable.

RESILIENCE ANALYSIS

Norske Skog has initiated a high-level resilience analysis in relation to the material risks and opportunities disclosed, to assess the resilience of the strategy and business model. Non-material risk was not included in the analysis. The evaluation is integrated into Norske Skog's double materiality assessment and results are discussed in annual strategy meetings and budget plans by mill and corporate management.

The scope of the analysis conducted in 2024 focused on access to process water (physical risk) and energy (transition risk) for all mills in our own operations, using Norske Skog's climate-related scenario analysis (2023) as a key source. Climate policy and regulatory transition risk was carefully assessed focusing on resilience of related financial impact. The value chain perspective of the resilience analysis included sourcing of strategically important raw materials such as fresh fibre and recovered fibre, in relevant geographies. Norske Skog has not yet conducted a climate-related scenario analysis for sourcing of biomass, but plan to do so in the coming years.

The results of the resilience analysis show that Norske Skog's own operations are largely resilient to physical climate risk due to robust infrastructure. However, impacts from extreme weather events like flooding and water shortages may impact operations in the long-term. Norske Skog will evaluate and implement appropriate measures related to water withdrawal and recycling in the coming decade to strengthen the climate resilience of own operations (ESRS E3 for details). While such physical risk is expected to have limited impact on own operations it has the potential to materialise in specific geographies of the value chain related to sourcing of fresh fibre in the long term. Recent investments in containerboard production made from 100% recovered paper target this risk and contribute to a resilient business model for individual mills and the group.

In terms of transition risk related to pricing of and access to energy, the results of the resilience analysis reflect that the resilience of Norske Skog's business model is strengthened based on recent capital investment in low emission energy generation at Norske Skog Bruck and Norske Skog Golbey, These investments has contributed to important risk mitigation related to the dependency on fossil sources while improving the share of renewable sources in the energy mix and avoiding long term energy pricing risk. Norske Skog will continue to evaluate opportunities related to energy generation and efficiency going forward to improve its future resilience.

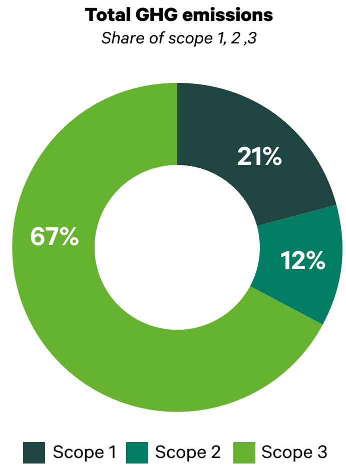
Current and future value creation of Norske Skog is mainly based on circularity and low emission operations and products, supported by recent major capital investment in climate mitigating measures. This reflects a business model resilient to meet global climate targets. However, the dependency on natural resources in our business model is challenged by stricter climate policies, both expected and unexpected. Future resilience relies on predictability and political support to mitigate financial effects.

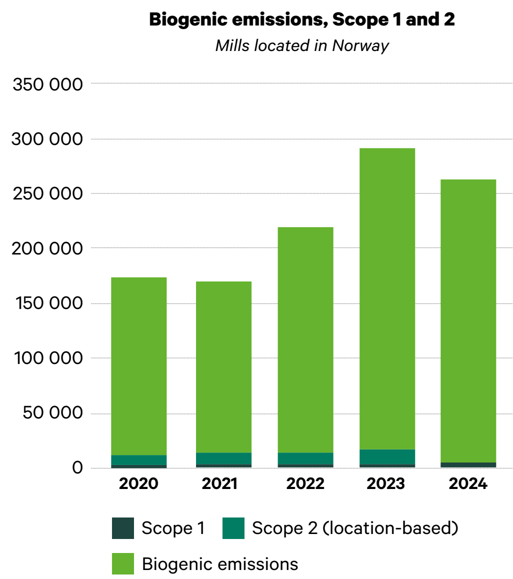
Despite future uncertainties related to climate policies, energy markets, biomass and water-stress, Norske Skog has the necessary organisational framework and priorities in place to adapt, build and maintain a climate-resilient business model over the short-, medium- and long-term. In terms of green financing, the group is using its unique position to evaluate possibilities and has completed a green loan for Norske Skog Skogn in 2024. The group assess additional opportunities going forward.

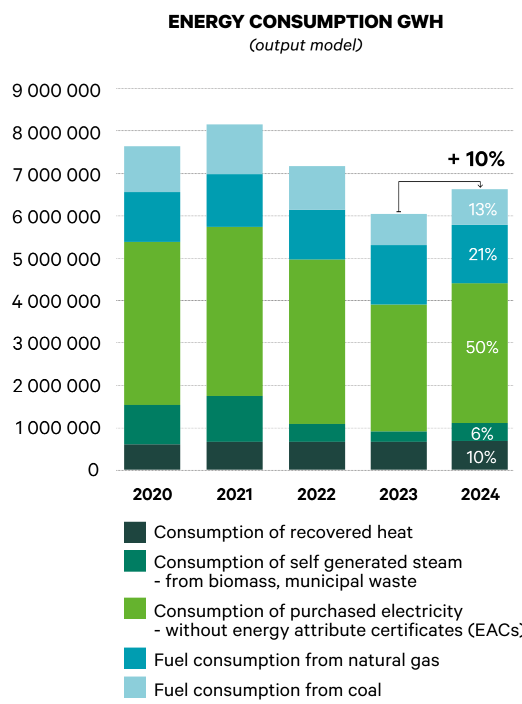
The time horizons applied in the analysis aligns with the time horizons of the DMA and GHG emission reduction targets. Going forward, Norske Skog plan to establish a robust resilience analysis in line with criteria in ESRS.

Based on the IROs identified and assessed in the resilience analysis 2024, no major capital allocation plans, asset write-downs, or similar measures have been made. Norske Skog group does not have locked in GHG emissions or assets and business activities that are incompatible with a transition to a net zero emission in scope 1 and 2 economy.

Norske Skog Bruck, winder
Photo: Carsten Dybevig







3. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy outlines the approach to management of environmental performance and sustainability efforts. The policy aims to achieve sustainability in natural resource development and environmental management, aligning with global commitments such as the Paris Agreement and the Montreal Agreement. The policy is addressing climate change mitigation by including Norske Skog's commitment to reduce GHG emission to net zero emissions in scope 1 and 2 by 2050. By covering all emissions scopes, the policy applies to emissions from Norske Skog's own operations, as well as emission upstream and downstream in the value chain.

The policy sets the direction of how to addresses key material impacts, risks, and opportunities related to climate change mitigation and adaptation, energy efficiency, renewable resource efficiency, pollution, water management, biodiversity, and deforestation. Monitoring is conducted through Corporate Standards, annual target setting, progress reviews by the board of directors, and adherence to internationally recognized environmental management systems. The policy is accessible to all staff through Norske Skog's intranet.

Scope and exclusions

The policy applies across Norske Skog's operations, including upstream and downstream value chains, covering raw material procurement, production, and distribution globally. Stakeholders such as employees, suppliers, customers, and local communities are directly involved. The policy has no specific exclusions but emphasises heightened attention in areas with material environmental risks, such as water-stressed regions.

Senior accountability

The board of directors holds the highest accountability for policy implementation, including setting objectives, annual target reviews, and monitoring performance. Key leading operational personnel and business unit managers are responsible for integrating the policy into strategic and operational decisions. The policy undergoes regular review by the group corporate management team, the global head of sustainability and the vice president of communication and public affairs.

Third-party standards and initiatives

The policy incorporates commitments to third-party standards, including the Paris Agreement, Montreal Agreement, EU's Action Plan "Towards Zero Pollution for Air, Water, and Soil," and the European Sustainability Reporting Standards (ESRS). It also promotes forest certification including PEFC and FSC standards and prioritises certified suppliers.

Stakeholder consideration

The policy reflects the interests of key stakeholders, ensuring respect for social and cultural values in operational regions. Norske Skog engages actively with stakeholders through open dialogue, transparency, and collaboration, addressing community concerns, promoting customer environmental objectives, and managing upstream and downstream impacts.

ENVIRONMENTAL POLICY DETAILS

(a) Climate change mitigation

Objectives and specific targets for reducing GHG emissions and increasing GHG removals are set periodically. Policies include plans for supplier engagement to ensure the same environmental standards are maintained across the value chain. Annual assessments of material risks and opportunities are performed at the corporate and business unit levels, with reporting to the board. The board oversees performance on climate adaptation metrics through an environmental index system based on EU BAT (Best Available Technologies) for our industry.

(b) Climate change adaptation

Policies address the integration of climate adaptation strategies into operations and procurement processes. Business units receive resources for training, emergency handling, and necessary health and safety measures to adapt to climate risks.

(c) Energy efficiency

Energy efficiency is highly prioritised in all production units, with annual improvement targets established for each business unit. Continuous resource allocation ensures operational efficiency and progress toward energy-saving goals.

(d) Renewable energy deployment

Policies emphasise resource deployment to enhance renewable energy use across all business units. Annual objectives focus on increasing the share of renewable energy in the company's energy mix.

(e) Other

1. *Renewable resource efficiency:*
   1.1 Targets are set for circular raw material usage and waste minimisation, promoting resource efficiency along the upstream and downstream value chains.
2. *Pollution management:*
   2.1. Policies align with the EU's Action Plan "Towards a Zero Pollution for Air, Water, and Soil" to minimize air and water pollution.
3. *Water management:*
   3.1. Special attention is given to water-stressed areas to reduce consumption and manage risks.
4. *Biodiversity and deforestation:*
   4.1. Policies promote forest certification and anti-deforestation efforts through supply chain engagement. These policies are integrated into Norske Skog's strategic and operational decisions, reviewed annually by the board, and aligned with stakeholder interests and international sustainability standards.

ACTIONS AND RESOURCES

Norske Skog is committed to reducing GHG emissions for scope 1 and 2 per tonne product by 55% by the end of 2030 with 2015 as the baseline and to achieve net zero emissions in scope 1 and 2 by 2050. The approach towards climate change mitigation in own operations encompasses a diverse array of strategies categorised by decarbonisation levers, including energy efficiency and reduction of energy consumption, improving the energy mix by phasing out fossil energy sources and investing in new business areas and low emission products. These levers represent the key actions undertaken during the reporting year and planned future actions to significantly reduce the group's carbon footprint. For instance, Norske Skog has intensified its efforts in promoting renewable energy adoption across all facilities and have implemented energy-efficient technologies to optimise consumption patterns.

Actions to reduce GHG emissions and energy consumption

All Norske Skog mills have energy efficiency programmes targeting continuous reduction in energy consumption and improved energy efficiency. This includes utilising recovered energy from Thermomechanical Pulping (TMP) the effluent treatment processes to produce biogas, combustion of bio-residues from the production processes. Production of paper and containerboard based on recovered paper and old corrugated containers (OCC) require less energy than production based on fresh fibre because the fibre from recovered paper is more easily separated than those within wood.

Norske Skog has achieved 83% reduction in scope 2 emissions (location-based accounting) since 2015 as a result of this strategy, including divestments in mills with high share of fossil sources in the electricity mix.

Norske Skog does not purchase any Energy Attribute Certificates (EACs) due to the political position of the Norwegian trade and industry association. The classification of renewable sources in the electricity mix has been updated in 2024 in line with the requirement of the ESRS, which classifies electricity without EACs as electricity from fossil sources. This led to a large drop in % share of renewable energy sources from 85% to 36% for 2023. The share of renewable energy sources in Norske Skog's total energy consumption in 2024 was 34%.

Actions to reduce energy prices and GHG emissions

Norske Skog is improving this by converting from non-renewable stationary energy to renewable and low emission energy sources leading to reduction in Scope 1 emissions. The Norske Skog Bruck mill in Austria have converted from natural gas to waste from households. This conversion started in 2022 with the construction of the fully owned on site waste-to-energy boiler (WtE) and was finalized when the boiler reached full production capacity in 2024. The Norske Skog Golbey mill in France is undergoing a conversion from natural gas to heat based on certified biomass. The Norske Skog Boyer mill in Australia will be discontinued in 2025. This will have a positive impact on the group's energy mix and transition to renewable sources.

Actions to invest in new business areas and low emission products

Norske Skog is investing in bio products made from renewable and recycled resources, responding to growing demand and customer preferences towards low emission products. Norske Skog Skogn mill is collaborating with Ocean GeoLoop for developing biogenic C02 capture technologies which can lead to positive impact on climate change mitigation in the long run.

To evaluate the outcome of our climate change mitigation actions, we provide comprehensive insights into the achieved and expected reductions in GHG emissions resulting from these actions. By tracking and assessing our emission reductions, we ensure transparency in illustrating the tangible impact of our initiatives in combating climate change. Our focus remains to achieve measurable reductions aligned with our targets, allowing us to consistently assess the efficacy of our strategies and drive continuous improvement.

Actions to reduce GHG emissions across the value chain

Incoming raw materials like wood and wood chips for publication paper production and outgoing paper and containerboard products is partly transported by fossil fuel-based trucks, vessels and railway.

Norske Skog aims to reduce scope 3 emissions by moving transport of upstream and downstream services from trucks and fossil vessels to electrical railway, trucks and vessels running on renewable energy sources.

Norske Skog prioritises engagement with individual suppliers that represent a large share of Scope 3 transport related emissions and procurement spend but is also engaging with business partners across all Scope 3 categories. The rationale for the prioritisation is to engage with key suppliers to efficiently cut Scope 3 emissions. This approach does also contribute to reduction of business and climate risks related to large procurement spend with individual suppliers.

Actions to reduce the risk of exclusion from the EU ETS market

The Norwegian Environmental Agency has informed Norske Skog about a tentative exclusion of the two Norwegian mills, Saugbrugs and Skogn, from the Energy Trading System. (ETS) poses a risk of severe financial impact. Norske Skog will work directly with the Norwegian government and indirectly through trade and industry federations to minimise the financial impact of the exclusion.

SPECIFIC ACTIONS - IMPLEMENTED AND PLANNED

Norske Skog has 4 business units in Europe with individual programs for climate change mitigation. The list below includes actions implemented during 2024 and future planned actions.

Photo: Carsten Dybevig

OWN OPERATIONS

Energy efficiency

- 2024:
  - o Norske Skog Skogn: The Norske Skog Skogn mill started operating a new reboiler targeting reduced fuel consumption and improved energy recovery. The investment will lead to an estimated annual 25 GWh reduction in energy consumption and 73 tonnes NOx emissions. The boiler was purchased from a closed down paper mill in Sweden.
- Future planned actions:
  - o Norske Skog Golbey: reduced energy consumption per tonne product produced due to conversion from fresh fibre to recovered fibre as the main raw material in production processes.
  - o All mills: Evaluate reuse of heat in production processes

Improving the energy mix by phasing out fossil energy sources

- 2024:
  - o Norske Skog Bruck: Continued reduction in CO2 emissions from the waste-to-energy boiler. Fuel source switched from natural gas to incineration of nearby household waste. The achieved total reduction in emissions from this project is 150 000 tonnes/year. No emissions are allocated to operations from this energy generation, in line with the EU ETS regulation and related accounting principles.
  - o Norske Skog Skogn: A new thermomechanical pulping line (TMP) replacing recycled paper with fresh fibre as the raw material in publication paper production; hence, reducing CO2 emissions by 77% (4 000 tonnes CO2e/year), NOx emission by 36% (91 tonnes per year) and ash to landfill by 57% (10 000 tonnes/year) per year.
- Future planned actions
  - o Norske Skog Golbey: Through the Green Valley Energie (GVE) project, construction of a 125 MW biomass boiler will supply Gobey with steam and significantly reduce the carbon footprint of the group by an estimated 261 000 tonnes CO2e/ year. Green Valley Energie is a JV between Norske Skog (10%), Veolia (10%) and Pearl Infrastructure (80%), where Norske Skog will be sole offtaker of steam under a long-term contract.
  - o Norske Skog Boyer: The initiated sale of the Norske Skog Boyer mill in Australia will have a large impact on the group's conversion away from coal and fossil energy sources.

Investing in new business areas and low emission products

- 2024:
  - o Norske Skog Skogn: Continued partnership with Ocean GeoLoop to develop biogenic carbon capture technology with the purpose to remove all bioCO2 emissions through CCS storage facilities. Potential CO2 savings not quantified.
- Future planned actions
  - o Norske Skog Skogn: Bioenergy with Carbon Capture and Storage (BECCS) will continue to be a developing project. Potential to contribute to a strong positive impact in the long run in case of successful piloting and future investments. Potential CO2 savings not quantified.
  - o Norske Skog Saugbrugs: The BCTMP main study at Norske Skog Saugbrugs commenced in 2024 with support from engineering consultants and vendor dialogues. Final investment decision is expected during the first half of 2025.
  - o Norske Skog Saugbrugs: Considering restarting PM6, which was hit by a rockslide in 2023. This will result in lower thermal and electrical consumption. Lower thermal consumption results in lower CO2 emissions, both fossil and biogenic.

VALUE CHAIN

Reducing transport related emissions in 2024:

- Norske Skog Skogn: Reduction in Scope 3 CO2 emissions through collaboration with transporters of incoming fibre on electrical ferries: Compared with the oldest ferries in the fleet the supplier has informed Skogn that the electrical ferries can deliver up to 50% reduction in CO2 emissions and 95% reduction of NOx emissions.
- Norske Skog Skogn: Reduction of scope 3 CO2 emissions by collaborating with finished goods transporter to electrify the ferries from Skogn to the ports in Europe and UK. The impact of the investment in the vessel has delivered a 20% reduction in CO2 emissions in 2024 compared to a 2021 baseline.
- Norske Skog has invested in train carriages and led a national project to build a new timber terminal located close to the timber harvesting area in Norway by cooperating with local authorities and business partners. This terminal in Hauerseter, Norway, will be operative from 2027 and will serve the entire wood processing industry in Norway. When the terminal in Hauerseter becomes operative in 2027, this will cut our gross Scope 3 emissions from upstream transport and distribution with an estimated 20%.

CAPITAL EXPENDITURE (CAPEX) AND OPERATIONAL EXPENDITURE (OPEX) (EU 1-3, AR 19-22)

In 2024, we allocated EUR 100 million towards capex and EUR 5 million towards opex directly contributing to the achievement of our sustainability targets. This includes investments in new refiner and heat modification at the Skogn mill, new containerboard product line at Golbey mill including renewable energy installations, and efficiency improvements at all the mills.

Future capex is projected at EUR 5 million, with opex expected to incur to EUR 2 million annually, supporting our continued commitment to decarbonisation and sustainability initiatives along the entire value chain. In addition to the programs for Scope 1 and 2, Norske Skog will pay special attention to the scope 3 emission over the next years.

When the terminal in Hauerseter becomes operative in 2027, Norske Skog will handle about 200 000 m^3 through this terminal, giving a savings potential of NOK 10 million.

RECONCILIATION WITH KPIS AND REGULATORY REQUIREMENTS

The significant amounts allocated for capex and opex are consistent with our sustainability KPIs and align with the requirements of Commission Delegated Regulation (EU) 2021/2178. Differences in projected versus actual spending are attributed to evolving market conditions and technological advancements, ensuring our actions remain both effective and adaptive.

RESOURCE ALLOCATION AND IMPLEMENTATION DEPENDENCY

Our ability to implement these actions depends on the continuous availability and strategic allocation of resources, including financial investments, technological innovation, and collaboration with our partners. We are committed to transparently managing these resources to maximise our impact on climate change mitigation and adaptation.

4. Metrics and targets

TARGET - SCOPE 1 & 2 GHG EMISSIONS
Norske Skog is dedicated to managing the environmental impact responsibly and to deliver growth while reducing GHG emissions. This commitment is supported by the emission reduction goal and environmental policy.

As part of the emissions reduction plan, Norske Skog set an intensity target in 2020, and committed to cut GHG emissions across Scopes 1 and 2 (location-based accounting) by 55% per tonne produced before 2030, with ongoing reductions every decade aiming for net-zero emissions across Scope 1 and 2 by 2050.

The ambition level of this intensity target is in line with goal of the Paris agreement to limit global warming to 1.5 degrees and the criteria of the Science Based Targets initiative (SBTi). The target is not approved by Science Based Targets initiative (SBTi). Norske Skog had ambitions to do so during 2024, but due to the temporary suspension of the wood and fibre pathway by SBTi and the anticipated publication of the GHG Protocol Land Sector and Removals Standard and Guidance and related forest carbon accounting resolution the ambition has been extended to 2025.

Decarbonisation levers related to this target include:
- Improve energy efficiency
- Improve the energy mix by phasing out fossil energy sources in own operations
- Invest in new business areas and low emission products

By taking future developments into account, Norske Skog's current emission reduction target for Scope 1 and 2 are based on emission intensity (tonne product produced). This approach ensures our targets are adaptive to the future trajectory of our business model, including new technologies and factors that may increase emissions as our business expands. Together with an annually updated TCFD assessment, we are planning to effectively evaluate the future developments that could impact Norske Skog, as well as understand the influence of Norske Skog's activities on future developments.

This target was developed by corporate and mill management in 2020 and approved by the board. External stakeholders such as customers and investors were consulted during this process.

TARGET - SCOPE 3 GHG EMISSIONS
Scope 3 account for 67% of total emissions (Scope 1, 2 and 3 combined) with 48% linked to upstream and downstream transportation and distribution across the value chain.

Norske Skog is committed to reduce Scope 3 emissions by collaborating with business partner up and downstream in the value chain. Mills are actively working with suppliers and customers on identifying and implementing levers to reduce Scope 3 emission, especially related to incoming and outgoing transport services. The group is also targeting supplier specific emissions to improve the quality of Scope 3 inventory.

Decarbonisation levers on Scope 3 include:
- Move transport of incoming raw materials and outgoing finished products from trucks and vessels running of fossil fuel to low-emission transport
- Prioritise engagement with suppliers that represent large share of Scope 3 emissions and procurement spend

Norske Skog had an ambition to define a quantitative emission reduction target for Scope 3 target during 2024 and evaluate commitment to the Science Based Targets initiative (SBTi) in the same process targeting all scopes (Scope 1, 2 and 3). This ambition is extended to 2025 to align with the temporary suspension of the wood and fibre pathway by SBTi and the anticipated publication of the GHG Protocol Land Sector and Removals Standard and Guidance and related forest carbon accounting resolution. In 2025, Norske Skog plans to set target for scope 3 including mid-term and net zero target.

TARGET PERFORMANCE – SCOPE 1 & 2 GHG EMISSIONS
In 2024 the target achievement was 54%. Norske Skog is very close to meet the 55% intensity target in GHG Scope 1&2 emissions (location based)/ tonne product produced.

The equivalent reduction in absolute Scope 1 and 2 emissions in 2024 compared to 2015 is -70%. Performance on both absolute emissions and Norske Skog's intensity target is illustrated in the same graph.

Due to heavy investment in low emission energy generation Norske Skog expect to reach the 2030 target of 55% reduction ahead of time. Key investments implemented include:
- Norske Skog Bruck: Investment in low emission energy generation utilising residual waste
- Norske Skog Golbey: New bioenergy plant and biogas production

In 2024, Norske Skog's absolute emissions in Scope 1 and 2 emissions accounted for 33% of our total emissions (Scope 1, 2 and 3 combined). Approximately 21% of these emissions are linked to the use of stationary energy sources in our mill (scope 1), 12% is linked to sourcing of electricity from third parties and used in the production process (location-based accounting).

TARGET PERFORMANCE – SCOPE 3 GHG EMISSIONS
In 2024 Norske Skog mills have continued to work with transport suppliers targeting emission reduction possibilities up-and downstream in the value chain.

OTHER TARGETS
Norske Skog has not set specific, metric targets for low emission products, exclusion from the EU ETS markets and energy consumption and prices. However, each mill has actions to reduce energy consumption, obtain the best available energy price and specific for the Norwegian mill to work for inclusion in the EU ETS market.

ACCOUNTING POLICIES

SCOPE 1

Norske Skog has applied the Corporate Standard by the Greenhouse gas protocol to measure and disclose GHG emissions for Scope 1. The reporting boundary and consolidation approach for emissions are disclosed according to operational control. The source of the emission factors and the global warming potential (GWP) rates used is from the IPCC Fourth Assessment Report (AR4 - 100 year).

All mills located in Europe are covered by EU Emission Trading Schemes (ETS) and reporting of Scope 1 emissions follow the EU ETS methodology. 100% of Scope 1 emissions from these European mills are covered by EU ETS.

SCOPE 2

In 2023, Norske Skog applied the location- and market-based accounting for Scope 2 emissions, according to the GHG protocol, which was applied to data covering 2021 to 2023 to allow for comparison. Norske Skog does not source any Energy Attribute Certificates (e.g. Guarantees of Origin) as part of our Market-based Scope 2 accounting.

The emission factors for Scope 2 accounting are derived from AIB (Association of Issuing Bodies) reflecting the energy mix delivered to the European markets and electricity purchased through the physical grid. These emission factors have been applied to ensure the same methodology across all markets. For reporting on 2024 the most recent set of emission factors have been applied 2023 | AIB.

For Australia, we have applied emission factors from the Australian National Greenhouse Account Factors for Tasmania published by the Department of Climate Change, Energy, the Environment and Water in Australia. National Greenhouse Accounts Factors: 2024 - DCCEEW. We have applied the location-based emission factor for both location- and market-based Scope 2 emission accounting as no standardized residual mix factor is available for Australia.

SCOPE 3

Norske Skog has applied the GHG protocol Corporate Value Chain (Scope 3) Accounting and Reporting. Standard to measure and disclose GHG emissions for Scope 3.

Category 1 - Purchased goods and services: Data cover direct materials like forest and recycling operations as well as non-wood based raw materials like chemicals and fillers. Emissions related to purchased goods and services have been calculated based on purchased volumes of direct materials (primary data) and the use of generic emission factors from trusted sources (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 2 - Capital goods: Emissions from capital goods was added to the Scope 3 inventory in 2024, and reported annually for 2022, 2023 and 2024. Emissions have been based on annual capex (primary data) and emission factors from DEFRA (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 3 – Fuel and energy related activities (not covered in Scope 2): Emissions have been calculated based on volumes of direct energy consumption (primary data) and the use of generic emission factors from Defra and CEPI/ Euro-graphs user guide. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 4 - Upstream transportation and distribution: Emissions have been calculated based on volume of goods transported (primary data), distance travelled and the use of generic emission factors from EcoTransit (secondary data). Outbound logistics services purchased by Norske Skog has been categorised as upstream because they are a purchased service. This is in line with requirements of GHG protocol technical guidance for category 4 Upstream Transportation and Distribution. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 5 – Waste generated in operations: Emissions have been calculated based on transport emissions from waste materials, in line with GHG protocol guidance. Emissions have been calculated based on transported volumes of waste (primary data), distance travelled and emission factors for applied transport modes from Eco Transit (secondary data). Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%

Category 6 – Business travel: Emissions cover air travel emissions collected from travel agencies delivering business travel services to Norske Skog (primary data). Data reflects supplier specific reports based on fuel consumption. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 100%.

Category 7 – Employee commuting: Emissions have been estimated based on number of employees (primary data) and average estimated commuting distance of 30 km per working day using a car with 180g CO2/km.

Category 9 – Downstream transportation and distribution: Downstream transportation cover distribution from the printing house to the final customer for printed magazines and printed newspaper. Emissions have been estimated based on annual production volume (primary data) and emission factors from published by VTT Technical Research Centre of Finland for printed products. The emission factor is from 2010. To adjust for increase in low emission vehicles, we have applied an assumption and deducted 20% on the emission factor. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 0%.

Category 10 - Processing of sold products: This category cover emissions generated during the printing process. Emissions have been estimated based on annual production volume (primary data) and emission factors from published by VTT Technical Research Centre of Finland for printed products. The emission factor is from 2010. To adjust for increase in low emission vehicles, we have applied an assumption and deducted 20% on the emission factor. Percentage of emissions calculated using data obtained from suppliers or value chain partners: 100%.

Other Scope 3 categories; The following Scope 3 categories are not applicable to Norske Skog's value chain operations and therefore not disclosed; category 8 Upstream leased assets, category 12 End of life treatment of sold products, category 13 Downstream leased assets, category 14 Franchises, category 15 Investments.

BIOGENIC EMISSIONS

Biogenic emissions in own operations are related to energy production from biomass boilers at Norske Skog Golbey, Norske Skog Skogn and Norske Skog Saugbrugs, and waste-to-energy at Norske Skog Bruck. Biogenic emissions are not included in Scope 1 but reported separately.

GHG EMISSION REDUCTION TARGET

2015 was selected as the base year, after a comprehensive restructuring of the mill portfolio, in the calculation of the 55% CO2 reduction target within 2030, which is congruent to evaluations done by the EU and the Norwegian Federation of Trade and Industries.

Recalculation of base year value follow the guidelines laid down in the GHG Protocol Corporate standard. Norske Skog aim to update of its emission reduction target in 2025, reflecting the initiated sale of Norske Skog Boyer mill in Australia.

SOURCES OF ESTIMATION AND OUTCOME UNCERTAINTY

The assessment of future impacts, risks and opportunities are by nature subject to estimations and outcome uncertainty. In line with ESRS requirements, the sustainability statement include forward-looking statements and assessment of the impact of climate change on Norske Skog performance in the short-, medium- and long-term. These forward-looking judgments relate to potential future events that are beyond the control of Norske Skog and difficult to predict. Norske Skog does not assume any responsibility for the accuracy of such future-looking statements.

THIRD PARTY VERIFICATION

All of Norske Skog's business units are certified in accordance with ISO 14001 (Environmental Management Systems). In addition, Norske Skog Saugbrugs, Norske Skog Skogn and Norske Skog Golbey hold ISO 50001 (Energy Management Systems) certificates. Disclosure on data and processes related to the corresponding topics follow the standards reflected in these verifications.

FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.

Photo: Carsten Dybevig

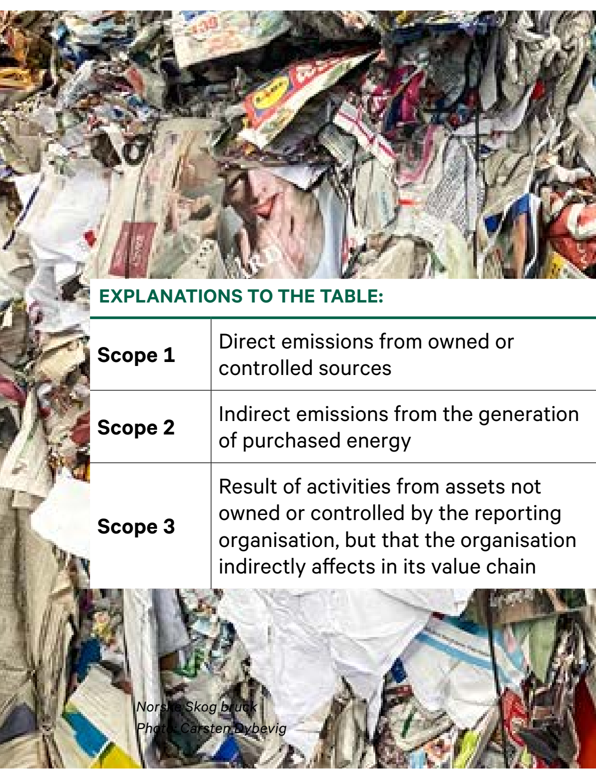
EMISSION TARGET

E 1-4 GHG emission reduction target	Type	Unit	Base year 2015 Number	Mid term target 2030 %	Mid term target 2030 Number	Long term target 2050 %	Long term target 2050 Number
Scope 1 + Scope 2 emissions - location based	Intensity	kg CO2e/tonne product produced	567	-55	255	-100	0

ENERGY

E1-5 Energy Consumption and Mix	Unit	2020	2021	2022	2023	2024	% change 2023-24
Total energy consumption*	MWh	**7 616 699**	**8 141 508**	**7 162 469**	**6 035 854**	**6 627 126**	**10%**
Total fossil energy consumption	MWh	**5 371 790**	**5 735 557**	**4 957 892**	**3 893 056**	**4 400 006**	**13%**
Fuel consumption from coal	MWh	594 429	661 480	660 195	655 353	682 193	4%
Fuel consumption from oil	MWh	2 677	5 865	5 317	6 351	3 438	-46%
Fuel consumption from natural gas	MWh	942 280	1 073 059	424 182	250 900	420 534	68%
Consumption of purchased electricity - without energy attribute certificates (EACs)	MWh	3 832 405	3 995 152	3 868 197	2 980 453	3 293 841	11%
Share of fossil sources in total energy consumption	%	71%	70%	69%	64%	66%	
Consumption from nuclear sources	MWh	-	-	-	-	-	
Share of consumption from nuclear sources in total energy consumption	%	0%	0%	0%	0%	0%	
Total renewable energy consumption	MWh	**2 244 909**	**2 405 951**	**2 204 577**	**2 142 798**	**2 227 120**	**4%**
Consumption of self generated steam - from biomass. municipal waste	MWh	1 170 693	1 226 578	1 166 118	1 404 641	1 376 442	-2%
Consumption of purchased electricity from renewable sources	MWh	-	-	-	8 352	10 583	27%
Consumption of recovered heat	MWh	1 074 216	1 179 372	1 038 459	729 805	840 095	15%
Share of renewable sources in total energy consumption	%	29%	30%	31%	36%	34%	
Total energy production - consumed on site	MWh	**2 313 164**	**2 497 313**	**1 989 349**	**2 081 598**	**2 157 437**	**4%**
Non-renewable energy production	MWh	1 142 471	1 270 735	823 232	676 957	780 995	15%
Renewable energy production	MWh	1 170 693	1 226 578	1 166 118	1 404 641	1 376 442	-2%
Energy intensity ratio - high climate impact sectors	MWh/net revenue (NOK million)	**1 030**	**970**	**540**	**522**	**651**	**23%**

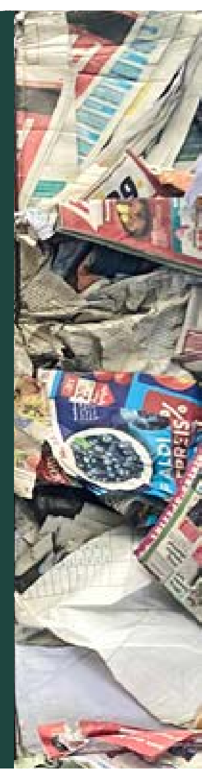
** Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors*



EXPLANATIONS TO THE TABLE:

Scope 1	Direct emissions from owned or controlled sources
Scope 2	Indirect emissions from the generation of purchased energy
Scope 3	Result of activities from assets not owned or controlled by the reporting organisation, but that the organisation indirectly affects in its value chain

Norske Skog bruck
Photo: Carsten Dybevig



E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Unit	Retrospective 2015 Base year Scope 1 and 2	2023	2024	% change 2023-24	Milestones and target years 2025	2030	2050	Annual% target /base year
Scope 1 GHG emissions									
Gross Scope 1 GHG emission	tCO2e	474 946	257 268	250 372	-3%	N/A	N/A	N/A	N/A
% of Scope 1 GHG emissions from regulated emissions trading schemes	%		30	60	100%				
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emission	tCO2e	865 236	180 648	148 632	-18%	N/A	N/A	N/A	N/A
Gross market-based Scope 2 GHG emissions	tCO2e		1 195 272	1 503 357	26%	N/A	N/A	N/A	N/A
Significant Scope 3 GHG emissions									
Total Gross indirect (Scope 3) GHG emissions	tCO2e		773 290	811 552	5%	N/A	N/A	N/A	N/A
1. Purchased goods and services	tCO2e		118 020	134 460	14%	N/A	N/A	N/A	N/A
2. Capital goods	tCO2e		142 090	82 941	-42%	N/A	N/A	N/A	N/A
3. Fuel and energy-related activities	tCO2e		6 230	12 015	93%	N/A	N/A	N/A	N/A
4. Upstream transportation and distribution	tCO2e		174 387	203 571	17%	N/A	N/A	N/A	N/A
5. Waste generated in operations	tCO2e		1 385	1 157	-16%	N/A	N/A	N/A	N/A
6. Business travel	tCO2e		240	350	46%	N/A	N/A	N/A	N/A
7. Employee commuting	tCO2e		3 062	3 062	0%	N/A	N/A	N/A	N/A
8. Upstream leased assets	tCO2e		-	-					
9. Downstream transportation	tCO2e		163 379	185 651	14%	N/A	N/A	N/A	N/A
10. Processing of sold products	tCO2e		164 496	188 344	14%	N/A	N/A	N/A	N/A
11. Use of sold products	tCO2e		-	-					
12. End-of-life treatment of sold products	tCO2e		-	-					
13. Downstream leased assets	tCO2e		-	-					
14. Franchises	tCO2e		-	-					
15. Investments	tCO2e		-	-					
Total GHG emissions									
Total GHG emissions (location-based) (tCO2eq)	tCO2e	1 340 182	1 211 205	1 210 556	0%	N/A	N/A	N/A	N/A
Total GHG emissions (market-based) (tCO2eq)	tCO2e	474 946	2 225 829	2 565 282	15%	N/A	N/A	N/A	N/A
Biogenic emissions	tCO2e		484 569	571 374	18%	N/A	N/A	N/A	N/A
GHG emissions intensity									
Location-based**	tCO2e/ million net revenue (NOK)		105	119	13%	N/A	N/A	N/A	N/A
Market-based**	tCO2e/ million net revenue (NOK)		193	252	31%	N/A	N/A	N/A	N/A

** N/A refers to GHG emission targets and values not applicable to Norske Skog. Norske Skog does not have absolute mission reduction targets, but intensity targets as presented in Target section of E1.*
*** Reference to consolidated income statement, total operating income NOK 10 173 million*

Breakdown of Scope 1 and 2 GHG emission by business unit	Scope 1	Scope 2*	Scope 2**	Biogenic CO_2	Total Scope 1 & 2*	Share Scope 1 & 2*	Production	Emission intensity Scope 1 & 2*
2024	*t CO_2e*	*t CO_2e*	*t CO_2e*	*t CO_2e*	*t CO_2e*	*%*	*tonnes*	*kg CO_2e/tonne*
Norske Skog Bruck, Austria	63 788	28 746	*158 629*	149 983	92 534	23%	358 613	258
Norske Skog Golbey, France	25 638	10 554	*13 960*	163 382	36 192	9%	284 128	127
Norske Skog Saugbrugs, Norway	760	-	*368 007*	87 036	760	0%	185 628	4
Norske Skog Skogn, Norway	3 650	-	*853 428*	170 973	3 650	1%	460 112	8
Norske Skog Boyer, Australia	156 536	109 332	*109 332*	-	265 868	67%	236 279	1 125
Total Norske Skog group	**250 372**	**148 632**	*1 503 357*	**571 374**	**399 004**	**100%**	**1 524 760**	**262**

** Location based method*
*** Market based method*

Business Unit	GHG emission intensity scope 1 & 2 kg CO2e/ tonne* 2022	2023	2024
Norske Skog Bruck, Austria	402	267	*258*
Norske Skog Golbey, France	131	155	*127*
Norske Skog Saugbrugs, Norway	15	30	*4*
Norske Skog Skogn, Norway	19	28	*8*
Norske Skog Boyer, Australia	1 258	1 326	*1 125*
Total Norske Skog group	**276**	**327**	*262*

** Location based method*

Norske Skog bruck
Photo: xx

Pollution (ESRS E2)

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Own operations	Downstream	Time horizon: Short term	Medium term	Long term
Pollution of air (SOx and NOx)							
Pollution of air from boilers	Impact, negative		x		x	x	x
All Norske Skog mills emit various pollutants, including volatile organic compounds (VOCs), sulphur dioxide (SO2), nitrogen oxides (NOx), and particulate matter (PM), during operations linked to production of heat with company owned boilers. The source of heat for the boilers contain a mix of renewable and non-renewable sources. These emissions contribute to air pollution, may lead to respiratory problems and environmental degradation.							
Pollution of water							
Discharge of process water	Impact, negative		x		x	x	x
The discharge of process water from the production process of publication paper and packaging paper causes a negative climate impact. A substantial amount of fresh water is needed to produce pulp and mix pulp with chemicals and other raw materials, which is used as input to produce the finished goods. The excess water from the production process is then processed through a wastewater treatment plant before the water is discharged to the nature. Only about 1% of the fresh water absorbed from the external source is used in the final products, the rest is discharged to the nature.							

ASSESSMENT OF ENVIRONMENTAL IMPACTS AND STRATEGIC RESPONSES:
Norske Skog operates in the publication paper and packaging paper industry and utilises chemicals commonly used within this sector. The company is committed to minimising its environmental impact and ensuring compliance with all relevant regulations. Key pollutants include sulfur dioxide (SO2), nitrogen oxides (NO2), carbon dioxide (CO2), suspended solids (SS), chemical oxygen demand (COD), nitrogen (N), phosphorus (P) and other chemicals.

These pollutants are primarily generated as emissions from production processes, including bio boilers used for heat generation and the discharge of process water following paper production. Norske Skog continuously invests in cleaner technologies and improved wastewater treatment to mitigate these impacts.

These emissions are subject to strict monitoring and compliance regulations in accordance with EU environmental directives.

Norske Skog does not use bleaching chemicals containing chlorine at any of its mills, thereby eliminating the creation of chlorinated organic compounds such as AOX (adsorbable organic halides). Additionally, Norske Skog adheres to strict sourcing policies to ensure compliance with EU regulations on hazardous substances.

Substances of concern/ very high concern are not defined as material.

Waste-related IRO are addressed in ESRS 5 (Resource use and circular economy).

1. Impact, risk and opportunities management

POLICIES

(a) Key contents of the policy, including general objectives and material IRO(s) addressed, as well as monitoring process

Norske Skog's environmental policy is centered on responsibility, accountability, and sustainability. It sets objectives for reducing environmental impact through measures in climate change mitigation and adaptation, energy efficiency, circular economy, pollution control, water management, and biodiversity protection. The policy aligns with global agreements such as the Paris Agreement and the Montreal Agreement.

Material Impact, Risk, and Opportunity (IRO) areas covered include climate change, pollution control, sustainable resource use, and biodiversity. The policy mandates continuous improvement and adherence to international environmental standards. Monitoring is carried out through annual reviews by the board of directors, reporting from business units, and corporate-level performance tracking, including the Norske Skog Environmental Index. Business units must report severe deviations immediately.

(b) Scope and exclusions

The policy applies to all business units and covers the entire value chain, including raw material sourcing, production, and distribution. There are no specific exclusions mentioned, and it extends to suppliers and subcontractors to ensure high environmental standards throughout the supply chain.

(c) Most senior accountable level

The board of directors holds the highest responsibility for implementing the environmental policy. The corporate management ensures its execution at the operational level.

(d) References to third-party standards and initiatives

Norske Skog commits to the Paris Agreement (net zero emissions), the Montreal Agreement (biodiversity), and the EU Action Plan "Towards a Zero Pollution for Air, Water, and Soil." The company also adheres to internationally recognized environmental management systems and certification standards.

(e) Consideration of stakeholder interests

The policy integrates stakeholder interests by supporting customers' environmental objectives, engaging in dialogue with local communities, and ensuring transparency in environmental reporting. Suppliers are expected to meet the same environmental standards as Norske Skog's operations.

(f) Availability of the policy

The policy is communicated internally through training and reporting mechanisms. Externally, it is available to stakeholders, including customers, suppliers, and regulators, ensuring alignment across the value chain, and also on:
https://www.norskeskog.com/sustainability/environment/environmental-policy

ADDRESSING POLLUTION, HAZARDOUS SUBSTANCES, AND EMERGENCY SITUATIONS:

(a) Mitigating pollution

Norske Skog aligns with the EU Action Plan on pollution reduction. The company sets annual targets to limit air and water pollution (SOx, NOx, particulate matter, suspended solids, and chemical oxygen demand in discharged wastewater). Emergency response plans are in place to manage pollution incidents and will correspondingly be reported immediately both internally and externally. Every breach of permit is reported within 24 hours.

(b) Avoiding and managing incidents

Preventative measures, including training and emergency preparedness, are implemented to minimise environmental accidents. If an incident occurs, immediate containment measures are required to reduce environmental and human impact. Norske Skog collaborates with authorities to ensure a coordinated response to environmental emergencies.

ACTIONS AND RESOURCES

Norske Skog Skogn has taken major steps in 2024 to reduce pollution of air, emissions and improve energy efficiency. The key initiative encompasses the purchase and installment of a:

- New thermomechanical pulp (TMP) production line and
- Steam turbine at Norske Skog Skogn, part of the Switch project.

These two projects are a NOK 180 million investment, including NOK 48 million in NOx Fund grants, replaces costly recycled paper with fresh fibre, cutting costs and emissions.

Expected outcomes include an 80% reduction in CO2, 40% lower NOx emissions, and a 60% decrease in ash production, aligning with Norske Skog's environmental goals. These efforts impact the entire value chain, improving sustainability in raw material sourcing and reducing energy use.

The TMP line is set to be fully operational within a year, with the steam turbine following soon after. Emission reductions and energy efficiency improvements will be monitored over the coming years. Norske Skog also continues to address past environmental impacts by investing in cleaner technologies and aligning with industry best practices.

The Switch project highlights how strategic investments drive both economic and environmental benefits, reinforcing Norske Skog's commitment to pollution prevention, sustainability, responsible resource management.

Significant actions to reduce effluents to water during 2024:
- Norsks Skog Saugbrugs: The landslide on April 27th 2023 led to reduced production at Saugbrugs and changed conditions for running the water treatment plant. Actions action were put into keeping effluents levels under control during 2024. Discharge to water have shown good development during 2024.

- Norske Skog Skogn: discharge levels have been high throughout the year and local actions and resources have been focused on solving the challenges related to the wastewater-treatment plant.

2. Metrics and targets

POLLUTION-RELATED TARGETS AND MANAGEMENT APPROACH

Norske Skog has established time-bound and outcome-oriented targets to mitigate pollution impacts and enhance environmental performance. These targets align with our environmental policy and broader sustainability commitments, ensuring compliance with international frameworks such as the EU Action Plan "Towards a Zero Pollution for Air, Water and Soil."

Targets presented in this chapter were established by Norske Skog in 2020. No new targets have been defined in 2024. In 2025 Norske Skog will evaluate updating targets in accordance with elements of MDR-T in ESRS for material IROs.

Pollution of air

Main objective: Prevent, control and reduce pollution of air from sulphur dioxide (SO2) and nitrogen dioxide (NOx) from our operations.

- o Target: Reach the as low as possible emission but at least below the environmental permit given by the authorities.
- o Relevance to policy: Supports Norske Skog's policy by reduce air pollution from industrial processes.
- o Ambition: Ensure compliance with emission permits and regulations.
- o Activities: Perform mill activities related to SO2 and NOx improvements.
- o Target Scope: Applies to all Norske Skog mills.
- o Measurement: Absolute reduction in tonne SO2 and NOx emissions.
- o Base and target year: no base or target year defined.
- o Methodology: Based on scientifically validated methodologies and aligned with EU and international climate policies.
- o Monitoring & Review: Progress is tracked annually through corporate sustainability reports.
- o The air pollution is quantified through automated measuring systems. No data has been estimated.

Pollution of water

Main objective: Prevent, control and reduce pollution of water from our operations.

- o Target:

1. Reach the as low as possible chemical oxygen demand (COD) but at least below the environmental permit given by the authorities.
2. Install anaerobic wastewater treatment and biogas at all European mills by 2030.

- o Relevance to policy: Reduces pollution to water and improves overall water quality by adopting sustainable water management practices.
- o Ambition: Reduce Chemical Oxygen Demand (COD) to water recipient.
- o Activities: Invest in equipment enabling target achievement.
- o Target Scope: Covers Norske Skog's European mills.
- o Measurement: Reduction of Chemical Oxygen Demand (COD) in wastewater discharges.
- o Baseline & Milestones: Implementation milestones set for 2025.
- o Monitoring & Review: Regular water quality assessments and compliance with EU water regulations.
- o The air pollution is quantified through automated measuring systems. No data has been estimated.

Pollution control and compliance measures

1. Air pollutants control: Norske Skog monitors and reduces emissions of SOx, NOx, and particulate matter through investments in bio-boiler efficiency and clean energy sources.
2. Water emissions control: Compliance with EU water discharge standards, treatment plant upgrades, and ongoing water recycling initiatives.
3. Substances of concern: Norske Skog follows strict regulations on chemicals used in production, ensuring minimal environmental harm.

Stakeholder Involvement and Continuous Improvement

1. Stakeholder engagement: Norske Skog collaborates with industry partners, regulatory bodies, and local communities to refine environmental targets.
2. Tracking & reporting: Performance against targets is evaluated through sustainability disclosures, with transparent reporting on progress and challenges.
3. Alignment with global agreements: Targets are based on EU environmental directives, national policies, and internationally recognised sustainability standards.

By setting these targets, Norske Skog demonstrates its commitment to pollution reduction and environmental stewardship.

POLLUTION OF AIR, WATER AND SOIL

Emissions to air are always monitored and reported annually in the annual report. Deviations from permits are reported directly to proper national authority. The business units' environmental permits will dictate the monitoring locations, frequency and methodology and legal reporting requirements. Norske Skog reports discharges of organic substances (COD), discharges of suspended solids (SS), and discharge of wastewater (m3 per tonne of paper). In addition, Norske Skog reports on SO2 and NOx.

POLLUTANTS

Norske Skog generates emissions to air and water through its paper production processes. The primary pollutants include:

- Air emissions: sulphur dioxide (SO2), Nitrogen oxides (NOx).
- Water emissions: suspended solids, nitrogen and phosphorus compounds, dissolved organic material.
- Microplastics: Norske Skog does not produce or use microplastics in its manufacturing processes. The group's processes focus on using natural fibers, and there are no synthetic polymer additives in paper production.

AMOUNT OF POLLUTANTS EMITTED

Norske Skog reports the following emissions per facility, in compliance with Annex II of Regulation (EC) No 166/2006:

- Dissolved organic material (COD) increased by 26% from 2023
- Suspended solids increased by 58% due to unstable production at the wastewater treatment plant at Skogn.
- Nitrogen and phosphorus increased respectively by 8% and 21%.

CONSOLIDATION OF EMISSIONS DATA

The emissions data reported includes facilities under Norske Skog's financial and operational control, including Norske Skog Skogn, Norske Skog Saugbrugs, Norske Skog Boyer, Norske Skog Golbey, and Norske Skog Bruck. Only mills exceeding the threshold values in Annex II of Regulation (EC) No 166/2006 are included.

CONTEXT AND METHODOLOGIES

a. Changes over time: Emission reductions have been observed in CO2 equivalents due to energy efficiency improvements and process optimisations. SO2 and NOx emissions in 2024 decreased with respectively 13% and 16%.

b. Measurement methodologies: Norske Skog follows EU BREF standards for measuring emissions. Continuous monitoring systems (AMS) are in place for air emissions. Water quality and pollutant discharge are measured using on-site and third-party laboratory testing.

c. Data collection processes: Data is collected from automated monitoring systems and third-party accredited sources. Norske Skog Boyer has implemented third-party verification for SO2 and NOx to rectify previous underreporting.

EXPLANATION OF METHODOLOGIES USED

Direct measurement methods are used for air and water emissions at facilities. Indirect estimation methods are used only when continuous monitoring is not feasible. Norske Skog Boyer's historical SO2 and NOx figures were underreported until 2023, resulting in a threefold increase as reflected in data table E2-4. New methodologies from accredited third-party sources have ensured more accurate data since 2023.

UNITS AND BREAKDOWN

Emissions data is reported in tonnes. The report provides emissions on a group level, but site-level data is available upon request.

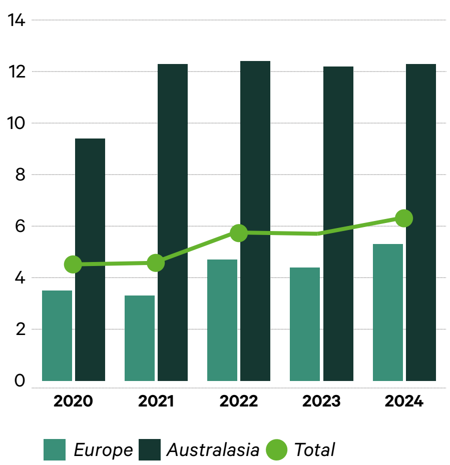
This disclosure ensures compliance with relevant environmental regulations and Norske Skog's commitment to transparency in pollution reporting.

ANTICIPATED FINANCIAL EFFECTS FROM POLLUTION-RELATED IROS

Norske Skog is dedicated to disclosing the potential financial implications arising from pollution-related IROs as part of our commitment to transparency and sustainable operations. In 2024 there were no major incidents of this kind. Going forward this section will be in line with phase-in provisions of ESRS E2.

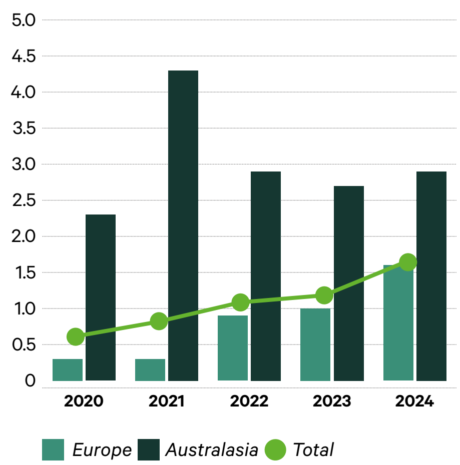
DISCHARGES OF ORGANIC SUBSTANCES (COD)

Kg per tonne of paper



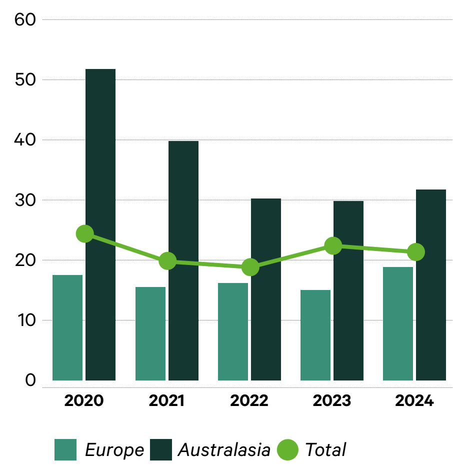
DISCHARGES OF SUSPENDED SOLIDS (SS)

Kg per tonne of paper



DISCHARGES OF WASTEWATER

m^3 per tonne of paper



E2-4 POLLUTION OF AIR AND WATER

Pollutant	Unit	2020	2021	2022	2023	2024	% change 2023-24
Released to air							
Sulphur oxides (SO2)	tonnes	297	401	360	1 030	896	-13%
Nitrogen oxides (NOx)	tonnes	701	879	709	1 230	1 028	-16%
Released to water							
Chemical oxygen demand (COD)	tonnes	8 283	8 958	9 989	7 701	9 704	26%
Suspended solids (SS)	tonnes	1 259	1 746	2 030	1 711	2 701	58%
Total nitrogen	tonnes	262	268	275	249	268	8%
Total phosphorus	tonnes	29	30	27	25	30	21%

Water and marine resources (ESRS E3)

1. Impacts, risks and opportunities

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Own operations	Downstream	Time horizon: Short term	Medium term	Long term
Water withdrawl							
Water intensive production process	Impact, negative		x		x	x	x
The water intensive production process has a negative impact on the climate because of the large quantity of fresh water needed to produce publication paper and packaging paper. The process needs large amount of water to dissolve and mix the different input factors together into mechanical pulp and deinked pulp to produce finished goods. The water usage is about 100 times larger than the actual water being absorbed into the finished products.							
Potential water shortage	Risk		x				x
A potential water shortage, either permanent or temporary, may be a risk to stable production of publication paper and packaging paper. Water shortage due to uneven rainfall, increased drought and shrinking snowpacks have negative impact on the climate and may cause severe risk to the production process. Some areas will face excessive quantities of rainfall and higher temperatures causing challenging the logging periods and availability of clean water.							
Water discharge							
Stricter permits levels	Risk		x		x	x	x
The political and mainstream public increased attention to the environment and climate change results in stricter permit levels and poses a risk for the long-term existence and financial soundness of the pulp and paper industry. In areas with drought, uneven rainfall and shrinking snowpack combined with higher temperatures will affect the availability of fresh water. Fresh water will be a scarce resource in some areas. To avoid contamination of scarce water resources, the authorities have and will continue to impose stronger restrictions for the use of water, and thus, in the discharge of processed waste water being returned back into the main water resources.							

The double materiality assessment described in IRO-1 determined the following water and marine resources-related material impact.

Assessment of environmental impacts and strategic responses:
Norske Skog operates in the publication paper and packaging paper industry and utilises large quantities of water in the production process. The group is committed to minimising its environmental impact by reducing the amount of water and ensuring compliance with all relevant regulations.

The material impacts are concentrated in Norske Skog's operations:
- Water usage: The production of paper, especially publication and packaging paper, requires large quantities of water in the pulping, bleaching, and heating processes. This consumption is concentrated in the production facilities, particularly in mills located in regions where water availability may be impacted by climate change.
- Wastewater discharge: Wastewater management is a significant focus, with treatment plants in each facility designed to minimize the discharge of pollutants into local water bodies, see E2.

The current and anticipated effects business model, value chain, strategy, and decision-making are:
- Water shortage risks: Anticipated water scarcity (especially in the Norske Skog Golbey and Norske Skog Bruck mills due to higher temperatures and drier summers) could lead to production disruptions, forcing the company to consider water rationing or find alternative water sourcing methods.
- Climate change and water availability: A wetter climate in Norway and Australia reduces water risks in those locations. However, regions in Europe and Australia could face higher operational costs related to water sourcing and wastewater treatment.

Norske Skog has adopted the following response to the impact:
- o Water management efforts: Norske Skog has committed to minimising water usage and reusing more water in the production process. In Golbey, the water usage per tonne produced is at a material lower level than the other paper mills. The company's environmental policy focuses on ensuring sustainable water sourcing and waste management practices, particularly in areas at water risk.
- o Water circularity and reuse: With a transition to a higher degree of water circularity, Norske Skog aims to mitigate environmental risks and lower dependence on external water source.

The material negative impact of water intensive production process will affect people or the environment and their connection to strategy and business model in the following manner:

1. Environmental and social impacts:
- o Water scarcity: Reduced water availability in key production areas could disrupt operations, leading to potential layoffs or production halts. Long-term water contamination risks could impact local communities dependent on freshwater sources, harming both local ecosystems and human populations.
- o Wastewater discharge: Improper treatment of wastewater could lead to environmental contamination, negatively affecting water bodies and marine ecosystems near production facilities.

2. Connection to strategy:

- The group commitment to sustainability, particularly with water and marine resources, is directly linked to its broader strategy of improving and optimising operations, reducing its carbon footprint, and ensuring long-term competitiveness through eco-friendly innovations in bio-products and renewable energy.

3. Time horizons:

- ***Short-term:*** Immediate risks from water quality issues and water rationing are not immediate concern, although the national authorities may set forth periodic water limitation measures.
- ***Long-term:*** As climate change intensifies, the long-term risks to water availability and marine ecosystems could increase, leading to more stringent regulatory requirements and operational disruptions. Only the Norwegian mills will have more water availability in the long-term scenario contrary to the other mills in the long term perspective.

The Norske Skog strategy and business model are resilient and do adequately address impacts and risks (including opportunities) (ESRS 2 SBM-3 (48f)):

- ***Resilience analysis:***
  - ***Water usage:*** Norske Skog's commitment to minimising water consumption and improving water recycling processes enhances its resilience to water-related risks. The ongoing efforts to develop and implement better water management strategies ensure the business unit's ability to adapt to climate-induced water shortages.

- ***Time horizon for resilience:***
  - ***Short-term***: Immediate focus on improving water sourcing efficiency and wastewater treatment to comply with existing environmental regulations. The wastewater treatment plant will have to improve circularity instead of discharging water into the recipient.
  - ***Long-term:*** Increased circularity of water will reduce water usage with an important effect of reducing the energy needed to heat water for the production process.
  - There is no changes compared to previous period except there is an increased awareness of water risks, particularly in areas like Golbey and Bruck, where climate change may exacerbate droughts and water shortages, according to CEMAsys study (2023).

The entity-specific disclosures for Norske Skog would primarily focus on:

- ***Water and wastewater management:*** Detailed reports on water usage, wastewater discharge, and compliance with local environmental regulations.

Risks related to water availability and quality: Detailed analysis of water risks in Norske Skog's mills, especially considering climate change impacts (water rationing, droughts, flooding).

Photo: Carsten Dybevig

2. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy focuses on mitigating negative impacts from water usage, ensuring responsible sourcing, and reducing water pollution. It targets water efficiency, wastewater management, and prevention of water pollution from operations. The policy emphasises compliance with international standards and continuous improvement in water management.

The policy addresses material IROs such as water consumption, sourcing, and wastewater management. It sets targets for water efficiency and action plans to reduce consumption, especially in water-stressed areas. The business units collaborate with local authorities to meet legal requirements and ambitious water permit goals where relevant.

Efficacy is monitored through regular, annual reports on water usage, wastewater treatment, and deviations from targets, which are submitted to corporate management. Business units are responsible for ongoing improvements and reporting progress.

The board of directors is accountable for policy implementation, while operational personnel ensure integration into daily activities. Norske Skog adheres to international frameworks like the EU Water Framework Directive and engages with stakeholders to consider their concerns.

The policy is accessible to employees through internal communications and training, and to external stakeholders on the Norske Skog web page for transparency and accountability.

Norske Skog's policies address water-related issues in the following areas:

- Water management: The group aims to reduce water usage by optimising processes and improving recovery, while ensuring responsible water sourcing. Wastewater is treated in plants before discharge to minimise pollution and ensure compliance with regulations.
- Commitment to reduce consumption: In water-stressed areas, the Norske Skog plans to implement measures to ensure responsible water use due to risk of water shortage, stricter permit levels and reduced water heating costs.

Norske Skog's facilities are for the time being not in high-water-stress areas and this is not specifically covered by the policies. However, some European mills may in the long-term face risks due to climate change and water availability. The group is monitoring these impacts and developing action plans to ensure resilience and will periodically review its water management policies.

Norske Skog's policy promotes sustainable marine practices, focusing on minimising impacts on marine ecosystems and ensuring responsible water use, especially in areas where discharges affect fresh water and brackish water bodies. Norske Skog works with both with national and local authorities to protect marine environments.

Norske Skog integrates water and marine resource policies into its broader environmental strategy, aiming to reduce water withdrawals, minimize discharges, and protect aquatic ecosystems. These policies align with the EU Water Framework Directive and the Paris Agreement's climate goals.

Norske Skog's policies concentrate on preserving water bodies' quality, reducing pollution, and safeguarding biodiversity. The company's operations comply with EU regulations and international standards, ensuring minimal environmental impact. Efforts to reduce water usage and pollutant discharge help maintain the health of surrounding ecosystems.

ACTIONS AND RESOURCES

Norske Skog has taken significant steps to mitigate the negative impact of its water-intensive production processes and address the risks associated with water shortages and increasing regulatory requirements. The group remains committed to ensuring sustainable water usage through continuous improvements in wastewater treatment, collaboration with authorities, and strategic investments in infrastructure.

KEY ACTIONS TAKEN IN 2024 AND PLANS FOR THE FUTURE

1. Enhanced water treatment facilities:

- o Norske Skog Golbey upgraded its water treatment facility to accommodate the new packaging paper production line. This investment improves the quality of treated wastewater before discharge and ensures compliance with stricter environmental regulations.
- o Norske Skog Skogn resolved technical challenges at its wastewater treatment plant, restoring optimal performance and reducing the discharge of organic substances and suspended solids.

2. Collaboration with authorities for environmental protection:

- o Norske Skog Skogn collaborates with national and local authorities to protect land and marine resources in the delta of Hotranvassdraget. The partnership with the authorities safeguards aquatic ecosystems especially protecting the bird sanctuary.

3. Long-term climate risk mitigation measures:

- o The group recognises the risk of water shortages in areas like Golbey and Bruck due to climate change. Plans are in place to periodically review climate risks and implement adaptive measures such as water conservation strategies and alternative water sourcing options.
- o In areas where water abundance is expected (Norway and Australia), Norske Skog is preparing strategies to manage excess rainfall and potential flooding that may impact operations and raw material supply chains.

The scope of the actions covers Norske Skog's core production activities, primarily focusing on mills located in high-risk water areas such as Golbey and Bruck. The measures affect to a small degree the upstream suppliers, but affect downstream stakeholders, including local communities and regulatory bodies, by promoting cleaner water discharge and ecosystem protection.

TIME HORIZONS AND REMEDIES

Short-term actions (2023-2025) include completing water treatment upgrades at Norske Skog Golbey, monitoring the new thermomechanical pulp line at Norske Skog Skogn, and continuously improving wastewater treatment efficiency. Medium-term actions (2025-2030) involve implementing further water conservation measures in high-risk mills, upgrading infrastructure, and maintain collaboration with authorities. Long-term actions (2030 and beyond) emphasis on adaptation strategies for climate change-driven water shortages and excess rainfall challenges across all mills.

Norske Skog actively manages permit breaches by working closely with supervisory authorities to address any deviations and implement corrective actions. The resolution of wastewater treatment challenges at Norske Skog Skogn has led to improved water discharge quality, ensuring compliance with local environmental standards.

PERFORMANCE

Quantitative results from 2024 demonstrate the following in wastewater treatment:

- Discharged process water from waste-water treatment slightly increased from 28.1 to 29.7 million m³.
- Organic substance discharges (COD) increased from 7 701 to 9 704 tonnes.
- Suspended solids (SS) increased from 1,711 to 2,701 tonnes.
- Phosphorus (Tot-P) and nitrogen (Tot-N) discharges increased, due to 10% increase in production output.

FINANCIAL AND OTHER RESOURCES ALLOCATED

- Norske Skog has allocated substantial financial resources (about EUR 10 million) towards water treatment upgrades, particularly in Golbey and Skogn, ensuring compliance with evolving regulations and reducing environmental impact.
- Future investments will focus on further efficiency measures, potential water recycling initiatives, and climate adaptation strategies.

Norske Skog Bruck, wood saw table
Photo: Carsten Dybevig

3. Metrics and targets

TARGETS

Norske Skog's commitment to environmental sustainability is underscored by the establishment of robust water and marine resources-related target aligned with international standards and regulatory frameworks. Norske Skog will invest in anaerobic wastewater treatment at all European mills by 2030. Norske Skog has set no specific quantity targets for water consumption or water discharge. The risk factors being potential water shortage and stricter permit levels will be handled individually at each mill and will receive full attention in the long-term horizon.

However, Norske Skog aims to support UN SDG number 6 about water and clean sanitation by improving water quality, reducing pollution, minimising hazardous chemical releases, and adopting sustainable water management. These efforts enhance environmental stewardship, ensure compliance, protect public health, and support long-term sustainability.

WATER CONSUMPTION

In 2024, the total water consumption amounted to 1.76 million cubic meters (m^3), marking a 4% decrease from the previous year. The disclosed metrics and related calculation have been updated in accordance with definitions provided in ESRS. This led to a large difference in disclosed figures as the reporting in prior years incorrectly reflected total water input. In 2024 the disclosure has been updated to cover the share of total input that is not discharged back into the water recipient (river/fjord). The total water consumption cover evaporation and water content in sold paper and containerboard products.

A substantial portion of the commitment to sustainable water management lies in using less water but also in recycling and reusing water resources. All Norske Skog mills recycle and reuse considerable amounts of water, equal to ~20% of the water input. This figure has been estimated as there are currently no established KPIs to measure recycled and reused water. This will be implemented during 2025. During 2025 Norske Skog Golbey will increase the share of reused and recycled water to up to 50%.

In accordance with the requirements of ESRS, we applied the Aqueduct Water Risk Atlas tool of the World Resources Institute (WRI) to assess areas of high-water stress. Based on this methodology, no mills are in regions of high-water stress.

Recognising the critical role of process water in operations, Norske Skog have implemented, and will continue to implement, further water conservation and efficiency measures. The approach includes monitoring of water basins' quality and quantity, adhering to established standards and methodologies for data compilation. The data is primarily sourced from direct measurements.

In 2024, Norske Skog had a total water consumption of 2.0 million m^3 per million EUR net revenue in own operations. This ratio demonstrates a potential to reduce water consumption per unit of economic output.

In addition to consumption, Norske Skog recognise the importance of water withdrawals and discharges, metrics we have included in this chapter. These aspects are integral to the sustainability strategy, and Norske Skog are actively exploring ways to minimise withdrawals while ensuring responsible discharge management. Through continued diligence and investment in water conservation, Norske Skog aim to further reduce the environmental footprint and contribute positively to the communities and regions where Norske Skog operate.

Norske Skog does not have water consumption in areas at water risk, including areas of high-water stress according to ESRS definition. Norske Skog has not established KPIs tracking recycled and reused water, but will do so going forward. Norske Skog does not store any water.

ANTICIPATED FINANCIAL EFFECTS

As per the ESRS Phase-in option in ESRS E3, we will begin to report on anticipated financial effects from water and marine resources-related IROs in the subsequent years.

E3-4 Water consumption	Metric	Unit	2020	2021	2022	2023	2024	% change 2023-24
Water withdrawals*	Volume	million m^3	102 369	109 033	99 441	87 832	84 703	-4%
Water discharge**	Volume	million m^3	100 265	103 442	98 341	86 816	82 940	-4%
Total water consumption***	Volume	million m^3	2 104	2 042	1 888	1 509	1 763	17%
Share of the measure obtained from direct measurement, from sampling and extrapolation, or from best estimates	Percent	%	100	100	100	100	100	0%
Water intensity ratio	Intensity	million m^3/NOK mill	0.28	0.24	0.14	0.13	0.17	31%

* *Include the sum of all sources of water drawn into the boundaries of Norske Skog including surface water, ground water, public water as well as water content in wood, pulp, DIP and chemicals.*

** *Include the sum of effluents and other water sources leaving Norske Skog boundaries including discharged cooling water, treated water from effluent treatment plants.*

*** *Water consumption include the total amount of water drawn into the boundaries of Norske Skog and not discharged back to the water environment or a third party over the course of the reporting period. Sources include water evaporation and water in product .*

Biodiversity and ecosystems (ESRS E4)

STRATEGY

In Norske Skog's commitment to sustainable forest industry practices, we are dedicated to aligning our business model with the global efforts to protect and restore nature. Norske Skog will in 2025 complete a transition plan to enhancing the resilience of Norske Skog's operations and contributing positively to biodiversity and ecosystems.

ASSESSMENT OF IMPACTS, DEPENDENCIES, RISKS, AND OPPORTUNITIES

Norske Skog recognises the significant impact its operations have on biodiversity and ecosystems, especially through land and water use changes, raw material harvesting practices, and the emissions associated with industrial production. As a group that depends on ecosystem services like water supply, climate regulation, and protection from natural hazards, it is essential to understand how these impacts can trigger changes in our strategy and business model.

1. Biodiversity and ecosystem impacts:

- Land and water use change: The demand for fresh water for paper production and potential disruptions due to climate change such as reduced precipitation in regions like Bruck and Golbey pose risks to the availability of this critical resource. In addition, shifts in land use due to the harvesting of raw materials affect local biodiversity, particularly around forest ecosystems.
- Raw material harvesting: Although 95% of our wood fibre is certified by FSC and PEFC, sustainable sourcing practices are vital for ensuring the conservation of biodiversity, preventing deforestation, and protecting habitats.

2. Dependencies and risks:

- Water availability and ecological impacts: The water sourcing risks due to climate change, such as increased drought and changing precipitation patterns, are a significant challenge. Water scarcity could trigger both regulatory and operational disruptions, particularly in regions like Golbey and Bruck.
- Resource scarcity: Overexploitation of forest resources due to climate change, deforestation, and market volatility may impact our wood supply chain, threatening business continuity and driving the need for more diversified and sustainable sourcing strategies.

3. Opportunities for strategy adaptation:

- Circular economy and resource efficiency: By adopting circular economy principles, we can reduce waste, enhance resource efficiency, and minimise the environmental footprint. Innovations packaging also offer potential avenues for growth while aligning with sustainable practices.
- Biodiversity conservation initiatives: Collaborating with local stakeholders, certification bodies like PEFC and FSC, and conservation groups, especially in Norway, allows us to enhance habitat restoration efforts and promote sustainable forestry practices. These initiatives align with both environmental regulations and global biodiversity targets.

As such, these biodiversity and ecosystem challenges present not only risks but also opportunities for Norske Skog to enhance its sustainable practices, innovate in product offerings, and strengthen its relationships with stakeholders.

RESILIENCE OF STRATEGY

1. Resilience assessment:

- Current business model resilience: Norske Skog's business model is relatively resilient to biodiversity and ecosystems-related risks, as it integrates sustainability into its core operations through certified wood sourcing, habitat restoration projects, and a strong focus on minimising water and energy consumption. However, increasing climate change risks (e.g., water scarcity and changing forest conditions) and stricter regulations on biodiversity and ecosystem services require adaptation of the model.
- Upstream and downstream analysis: The resilience analysis encompasses the entire supply chain, from sourcing certified wood and managing forest habitats to the downstream impacts of product lifecycle and waste disposal. Our commitment to FSC/PEFC certifications, circular economy principles, and collaborating with local stakeholders in areas like Tasmania and Norway strengthens our supply chain resilience.

2. Scope of resilience analysis:

The CEMAsys (2023) analysis includes the operations of Norske Skog's mills, with a particular focus on the water risks at all our mills, as well as the sourcing of raw materials. The entire value chain is considered, especially in relation to the potential scarcity of forest resources and ecological threats such as deforestation and soil erosion.

3. Key assumptions:

- Water availability and ecological impact: Assumes that climate change will lead to more frequent water shortages in some regions, which will require a shift toward more closed-loop systems and water conservation strategies.
- Forest health: Assumes continued dependence on certified and sustainably sourced wood fibre, with increasing emphasis on forest restoration and biodiversity conservation initiatives.
- Regulatory landscape: Assumes that global and local policies regarding biodiversity and deforestation will become more stringent, necessitating better traceability and reporting practices in the supply chain like the EU's Directive on Deforestation requiring traceability of wood log geo-location in the finished product declaration from 2026.

4. Time horizons:

The CEMAsys resilience water availability analysis covers both short-term (1–5 years) and long-term (10–30 years) time horizons. There is no immediate risks of water shortage, due to water availability and regulatory permits, while the long-term horizon considers concludes with less water availability causing water shortage and restrictive governmental water conservation programs. The certification bodies like PEFC and FSC will have to consider the broader impacts of forest regeneration, climate change adaptation, and biodiversity restoration efforts in revision of their standards.

5. Results of the resilience analysis:

- Short-term resilience is moderately high due to existing sustainability practices and certifications, but risks related to water availability and forest resource scarcity remain a concern.
- Long-term resilience is dependent on proactive climate adaptation strategies, ongoing collaboration with stakeholders, and continuous improvements in resource efficiency and circularity. These initiatives are critical to maintaining business continuity in the face of biodiversity and ecosystem-related risks.

6. Stakeholder involvement:

- Indigenous and local knowledge: In regions like Tasmania, Norske Skog engages with local authorities and environmental organisations to ensure that biodiversity conservation initiatives are informed by local knowledge and practices. Similarly, in Norway, Norske Skog collaborates with local regulatory authorities and environmental agencies to ensure sustainable water and forest management practices.
- Consultation with experts: Ongoing consultations with environmental authorities and experts, industry associations (e.g., CEPI, TFB, FSC and PEFC), and conservation groups ensure that Norske Skog's strategies are aligned with best practices and global biodiversity frameworks.

ALIGNING WITH GLOBAL INITIATIVES

In alignment with the Kunming-Montreal Global Biodiversity Framework and the EU Biodiversity Strategy for 2030, Norske Skog commits to achieving its biodiversity and ecosystem-related goals by 2050. Our strategy integrates climate change adaptation and biodiversity conservation into the business model through improved resource efficiency, water management, sustainable sourcing, and habitat restoration. By supporting global biodiversity goals, Norske Skog aims to minimize its impact on ecosystems and align with planetary boundaries related to biosphere integrity and land-use change.

Norske Skog is committed to maintaining transparency in reporting the progress towards these goals and engaging with stakeholders to ensure that the strategy remains adaptable to the evolving environmental landscape.

Norske Skog Boyer, wastewater treatment plant
Photo: Carsten Dybevig

2. Impacts, risks and opportunities

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short term	Time horizon: Medium term	Time horizon: Long term
Ecosystem services							
Dependency on natural resources: sourcing of wood	Risk	x			x	x	x
Norske Skog has mills that are entirely dependent on sourcing of wood, which causes a risk due to possible future scarcity of forest resources. The availability may be affected by overexploitation due to high demand, deforestation issues, climate change, loss of biodiversity, erosion and high and volatile market price of wood. Also social conflicts, such as land use disputes, stricter environmental regulation and revised certification mechanism will affect the sourcing of wood.							
Dependency on natural resources: process water	Risk	x			x	x	x
The availability of fresh water for the process to produce publication paper and packaging paper is a business risk for Norske Skog. Higher temperatures regardless of future climate scenario, the climate change will result in precipitation changes. Some mills will encounter periods with increased drought, uneven rainfall and shrinking waterfall causing a risk of not having adequate water to justify industrial production before the general public. Lack of water resources may cause ecological and biodiversity threats followed by stricter water usage restrictions.							
Land degradation							
Degradation of land through felling of forests	Impact, negative	x			x	x	x
Norske Skog consumes large quantities of forest resources which is having a negative impact on the climate. The felling of forest has several negative impact on degradation of land. This exacerbates loss of sequestration through loss of CO2 absorption and release of stored carbon. In addition, the logging cause deforestation and thus soil erosion and loss of soil fertility. Other consequences are loss of biodiversity and ecosystems imbalance. Without proper climate actions, it may trigger reduced regrowth and irreversible transformations of land.							

The environment is affected by deforestation, loss of biodiversity, depletion of non-renewable raw materials, excessive use of fossil solutions. The entire value chain may meet stricter permit levels regarding logging methods, means of transportation, production process and content of finished goods.

Norske Skog's operations have notable impacts on biodiversity and eco-systems, primarily in the operations and across the value chain. Key areas of concern include:

1. Operations:

- o All sites are linked to water use, wastewater discharge, and raw material harvesting, all of which affect local ecosystems.
- o Forest sourcing, governed by FSC/PEFC certifications, aims to mitigate environmental risks, though poor logging practices can cause habitat loss, species disruption, and soil degradation.

2. Upstream and downstream:

- o Upstream: The sourcing of certified fibre (95%) helps reduce risks of deforestation and forest degradation. However, climate change and overexploitation threaten long-term fibre availability.
- o Downstream: Norske Skog collaborates with customers to minimise impacts during the product lifecycle, especially through recycling and waste management practices.

Impacts on business model:

- Current risks:
  - o Sourcing of wood: Forest overexploitation and habitat destruction could disrupt supply chains, increasing costs and impacting production.
  - o Water availability: Climate change may lead to water shortages, affecting operations, especially in areas like Bruck and Golbey.
- Anticipated risks:
  - o Regulatory pressures: Stricter environmental regulations could raise operational costs and harm the company's reputation.
  - o Supply chain disruptions: A shortage of raw materials, driven by climate change and deforestation, could lead to cost volatility.
- Responses:
  - o Norske Skog is adapting by focusing on sustainable forest management, water system improvements, and closer collaboration with certification bodies to safeguard biodiversity.

Effects on people and the environment:

- People: Operations may harm local communities through pollution and deforestation, affecting health and livelihoods. Increased sourcing costs may impact job security.
- Environment: The main environmental effects include biodiversity loss, habitat destruction, and climate change exacerbated by deforestation.

Norske Skog's strategy and business model:

Norske Skog's strategy emphasizes sustainability with a focus on fibre certification, circularity, and biodiversity protection. The company integrates biodiversity risks into its long-term planning with an eye on reducing environmental impacts and ensuring resource availability.

- ***Time Horizons:***
  - o Short-Term (0-5 years): Immediate challenges include regulatory changes and water scarcity.
  - o Medium-Term (5-10 years): Tighter certification standards and enhanced biodiversity monitoring will shape business decisions.
  - o Long-Term (10+ years): Risks like raw material depletion and water shortages may necessitate a business model shift, potentially toward alternative bio-products and increased finished product circularity.

The group's environmental policy aims to ensure resilience against biodiversity risks. Its focus on renewable energy, sustainable sourcing, and reforestation strengthens long-term business resilience.

Main disclosures:

- Material sites: Key sites in Skogn, Halden, Golbey, and Bruck are focused on water management and sustainable harvesting, with specific attention given to biodiversity-sensitive areas in proximity to the sites..
- Land degradation: Forestry practices are designed to minimize land degradation, although unsustainable practices may still contribute to soil erosion.
- Impact on threatened species: The Forest Owner Association, from whom we purchase the wood, monitors and mitigates effects on endangered species through restoration projects in collaboration with the authorities, certification bodies, and wildlife organisations.

This analysis highlights Norske Skog's commitment to reducing environmental impacts while maintaining a resilient strategy that addresses biodiversity, climate change, and resource sustainability.

Photo: Carsten Dybevig

3. Impact, risk and opportunity management

POLICIES

Norske Skog's environmental policy guides biodiversity and ecosystems management, focusing on raw material sourcing, water use, pollution control, and biodiversity preservation. The group ensures sustainability through responsible forest management, FSC/PEFC certification, and deforestation minimisation. Regular monitoring includes annual performance reviews by the board, with business units tracking progress and reporting deviations. This aligns operations with global environmental goals like the Paris and Montreal Agreements.

The policy covers Norske Skog's entire value chain, emphasising biodiversity-sensitive areas near forests and water. It promotes sustainable forestry, pollution control, and circular economy principles. All stakeholders, including employees, suppliers, communities, and regulators, must adhere to high environmental standards. The board and senior management oversee implementation, ensuring compliance with evolving regulations like the EU's EUDR and ISO 14001. Norske Skog engages stakeholders through transparent dialogue and publicly shares policy details, reinforcing employee awareness via training programs.

DISCLOSURES

Aligned with ESRS 2 and ESRS E4, Norske Skog's policies address biodiversity risks and sustainable sourcing, ensuring raw materials contribute to ecosystem resilience. The group monitors biodiversity, mitigates climate risks (water availability, deforestation, habitat loss), and follows global sustainability agreements. Operations in biodiversity-sensitive areas adhere to stringent conservation and sustainable forestry standards, minimising marine and aquatic impacts through responsible water management. Committed to zero deforestation, Norske Skog balances economic growth with environmental and social responsibility.

ACTIONS AND RESOURCES

Norske Skog addresses the material negative impact, and the two risk factors related to biodiversity and ecosystems in the following manner:

Material negative impact: degradation of land through felling of forest

(a) Key Actions taken and planned for the future

1. Sustainable forestry practices:

- o Action taken: Norske Skog has collaborated with the value chain, forest associations, environmental organisations, and governing bodies like FSC and PEFC to ensure responsible sourcing of wood fibre.
- o Expected outcomes: Reduced impact on biodiversity in the surrounding forests, with an emphasis on forest regeneration and ecosystem preservation.
- o Future plans: Continue strengthening partnerships with forest certification bodies and expand monitoring of forest health in collaboration with partners in the value chain.
- o Policy contribution: Contributes to the achievement of sustainable forestry practices, supporting SDG 15 (Life on Land).

2. Reforestation and habitat restoration:

- o Action taken: Active reforestation and habitat restoration projects have been initiated, including transferring significant areas of birdlife habitats to the Norwegian Environmental Agency (Skogn).
- o Expected outcomes: Restoration of biodiversity, including the protection of endangered species. Improved carbon sequestration.
- o Future plans: expand reforestation efforts, especially in areas affected by forest harvesting.
- o Policy contribution: Supports SDG 13 (Climate Action) by promoting carbon absorption through restored habitats.

3. Wildlife monitoring and water management:

- o Action taken: Regular wildlife monitoring and water quality assessments are conducted, especially in Norway, in collaboration with the National Authorities and Norwegian Institute for Water Research (NIVA).
- o Expected outcomes: Protection of local wildlife and improved water quality in nearby fjords and rivers.
- o Future plans: Expand monitoring efforts, focusing on water ecosystems and long-term biodiversity impacts.
- o Policy contribution: Contributes to SDG 6 (Clean Water and Sanitation) and SDG 15 (Life on Land).

The scope of actions covers Norske Skog's global operations, including facilities in Norway, France, Austria, and Australia. The focus is on sustainable sourcing of wood fibre through certification schemes like FSC, Controlled Wood, and PEFC. Direct stakeholders include forestry value chain partners, environmental NGOs, local regulatory authorities, and the communities surrounding the mill sites. Norske Skog works closely with local authorities, conservation organisations, and community groups to support remediation efforts. Sustainable forestry practices and reforestation are ongoing with continuous improvements and specific milestones set for the next 3-5 years to increase forest regeneration, while wildlife and water management involve ongoing monitoring with a major review every 2 years to assess biodiversity and ecosystem recovery.

Risk Factor 1: Availability of water resources

(a) Key actions taken and planned for the future

1. Water usage management:

- o Action taken: Norske Skog monitors water usage and quality in all its production sites.
- o Expected outcomes: By implementing a closed-loop water system in certain facilities, Norske Skog aims to ensure that water availability remains stable despite potential climate changes.
- o Future plans: Expansion of water recycling systems and implementation of closed-loop systems to reduce dependency on external water sources.
- o Policy contribution: Supports SDG 6 (Clean Water and Sanitation) and contributes to more efficient resource usage in the face of climate change.

2. Engagement in climate action initiatives:

- o Action taken: The company is actively participating in industry groups that focus on climate change mitigation and water preservation.
- o Expected outcomes: Reduced environmental footprint and improved resilience to water scarcity.
- o Future plans: Increasing participation in regional climate action groups to drive collective efforts on water conservation.
- o Policy contribution: Helps mitigate climate risks and supports SDG 13 (Climate Action).

The scope of actions covers facilities in regions at risk of water scarcity, especially Bruck and Golbey, and involves collaboration with local governments, environmental groups, and water resource management bodies. Water management systems involve immediate actions with completion expected within the next 2 years for closed-loop water systems, while climate action participation is ongoing with key milestones every 3 years to track progress.

Risk factor 2: Dependency on natural resources: sourcing of wood

(a) Key actions taken and planned for the future

1. Sustainable sourcing and certification:

- o Action taken: 95% of purchased fibre is certified through FSC and PEFC, ensuring that wood is sourced from responsibly managed forests.
- o Expected outcomes: Reduction in deforestation and forest degradation, contributing to the long-term sustainability of wood fibre supply.
- o Future plans: Reach 100% of certified wood sources, collaborating with forest owners in reaching the target, and strengthen partnerships with forest certification organisations.
- o Policy contribution: Contributes to SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Land).

2. Monitoring and enhancing raw material harvesting:

- o Action taken: Continuous monitoring of raw material sourcing and improvements to harvesting practices.
- o Expected outcomes: Improved environmental impact from wood fibre sourcing and a reduction in land degradation.
- o Future plans: Expand efforts to improve sourcing practices and engage in industry-wide initiatives to reduce overexploitation.
- o Policy contribution: Supports SDG 12 and SDG 15.

The scope of actions focuses on Norske Skog's supply chain, particularly in regions where deforestation and overexploitation are concerns, involving sourcing partners, certification bodies (FSC, PEFC), and local communities affected by forestry practices. Sustainable sourcing is ongoing with full certification of all wood fibre by 2027, while raw material harvesting monitoring is ongoing with incremental improvements every 2-3 years.

Norske Skog Golbey, air condenser tank
Photo: Carsten Dybevig

4. Metrics and targets

TARGETS

Norske Skog's commitment to environmental sustainability is underscored by the establishment of robust biodiversity and ecosystems-related targets aligned with international standards and regulatory frameworks.

In 2020 Norske Skog established a set of ambitious targets to mitigate negative environmental impacts, enhance positive contributions to bio-diversity, and manage material risks and opportunities associated with its operations. These targets align with the group's environmental policy and are designed to address its material dependencies, risks, and impacts across the entire value chain, ensuring a sustainable and responsible approach to forestry and paper production.

No new targets have been defined in 2024. In 2025 Norske Skog will evaluate upadting targets in accoordance with elements of MDR-T in ESRS for material IROs.

REDUCTION OF NEGATIVE IMPACTS

Norske Skog has committed to ensuring that 100% of the wood used across all mills is certified under internationally recognized schemes such as FSC and PEFC. This target directly supports the group's policy objectives by promoting sustainable forestry practices, reducing deforestation risks, and preserving biodiversity. The baseline for this target was set in 1995, with the goal of achieving full compliance by 2030. This commitment applies to all mills, including Norske Skog Skogn, Norske Skog Golbey, Norske Skog Bruck, Norske Skog Saugbrugs, and Norske Skog Boyer, ensuring sustainable sourcing and minimal ecosystem disruption.

To further limit negative environmental impacts, Norske Skog has set a goal of sending zero ash to landfill by 2030. This absolute target is measured in tonnes of ash diverted from landfills and is part of the company's broader circular economy efforts.

Additionally, Norske Skog continuously monitors its water usage and wastewater treatment efficiency. The group aims for 100% of its production process waste to be treated through wastewater systems, reducing pollution and mitigating risks associated with industrial water discharge. Compliance with the EU Water Framework Directive ensures that all discharged water meets regulatory standards, protecting local ecosystems and aquatic biodiversity.

ENHANCING POSITIVE IMPACTS

Norske Skog actively contributes to ecosystem restoration through habitat conservation initiatives. The company has undertaken reforestation projects and habitat restoration efforts in partnership with organisations such as FSC and PEFC. At Skogn, a significant birdlife area has been transferred to the Norwegian Environmental Agency, demonstrating Norske Skog's commitment to preserving biodiversity in industrially affected regions.

In Tasmania, Norske Skog Boyer sources wood exclusively from sustainably managed plantations, ensuring that no native forests are exploited. The company's collaboration with local environmental authorities supports conservation efforts, reinforcing its role in maintaining biodiversity at a regional level.

MANAGING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Norske Skog recognizes the risks posed by climate change and resource scarcity. Freshwater availability is a critical factor in production, and climate change-induced droughts pose a significant operational risk. To mitigate this, the group has implemented water efficiency measures and invested in wastewater treatment technologies. Norske Skog Saugbrugs, for instance, collaborates with The Norwegian Institute for Water Research (NIVA) to monitor and mitigate potential impacts on local water bodies.

The group also acknowledges the risk associated with forest resource availability due to overexploitation and regulatory changes. By securing long-term agreements with certified suppliers and prioritising PEFC/FSC-certified wood, Norske Skog aims to minimize exposure to sourcing risks and ensure sustainable supply chains.

STAKEHOLDER INVOLVEMENT AND SCIENTIFIC BASIS

All targets set by Norske Skog are based on conclusive scientific evidence and aligned with international environmental frameworks, including the Paris Agreement and the Montreal Agreement. The group engages with stake-holders, including investors, regulators, and environmental organisations, to ensure that targets are robust and feasible. Targets are monitored through regular internal audits, third-party verifications, and annual reporting.

By setting these ambitious goals, Norske Skog aims to balance industrial growth with environmental responsibility, ensuring that its operations contribute positively to biodiversity conservation while mitigating climate risks and resource dependencies.

Performance metrics and targets in tabular format				
Baseline value (year)	**Target level**	**Measurement unit**	**Target year**	**Current progress**
98% (2023)	100%	% of certified wood used	2025	99% achieved
Baseline (2022)	0%	Tonnes of ash sent to landfill	2030	Ongoing
Ongoing	100%	% of production waste treated	Continuous	Compliant with EU standards
Ongoing	Reduced water use	m^3 per tonne of paper	Continuous	Implemented at all mills
Achieved	100% sustainable plantations	% of sourced wood	Continuous	Fully compliant
Ongoing	Active reforestation projects	Number of hectares restored	Continuous	Various projects in progress

METRICS

Norske Skog consumes large quantities of forest resources, which has a notable impact on climate and land degradation. The logging of forests reduces carbon sequestration, leading to increased CO2 emissions and stored carbon release. Additionally, deforestation contributes to soil erosion, loss of soil fertility, biodiversity loss, and ecosystem imbalances. If not mitigated through sustainable forestry practices and climate action, this could lead to reduced regrowth rates and irreversible transformations of land.

Risk 1: Water availability for production processes

Norske Skog relies on fresh water for the production of publication and packaging paper. Climate change-induced temperature rises are expected to alter precipitation patterns, leading to periods of drought, inconsistent rainfall, and shrinking water sources. This poses a business risk as it may result in water shortages that impact production capacity and raise concerns over industrial water usage compared to public needs. Additionally, water scarcity could trigger ecological and biodiversity risks, leading to stricter regulations on water usage.

Risk 2: Availability of forest resources

Norske Skog's mills are dependent on a consistent supply of wood. The availability of forest resources is threatened by overexploitation, deforestation, climate change, biodiversity loss, erosion, and fluctuating wood prices. Social conflicts, such as land use disputes, stricter environmental regulations, and revised certification mechanisms, could further impact sourcing, making it more challenging to secure sustainable raw materials.

NORSKE SKOG'S APPROACH TO BIODIVERSITY AND ECOSYSTEM CONSERVATION

Norske Skog acknowledges the impact of its global operations and associated value chain on biodiversity and ecosystem services. The primary drivers of nature loss related to its business include land and water use changes, climate change, pollution, and raw material harvesting practices. The group is responsible for managing ecosystem risks within its operations and broader business activities.

Stricter regulations on biodiversity and ecosystems could impact Norske Skog's financial standing, increasing costs and potentially affecting investor confidence. As a result, Norske Skog follows stringent national and international laws to minimize its environmental footprint.

BIODIVERSITY MANAGEMENT BY REGION

Halden, Skogn, and Golbey:

- Implementing sustainable forestry practices in collaboration with FSC and PEFC to ensure responsible wood sourcing and habitat preservation.
- Engaging in reforestation and habitat restoration projects, including transferring significant land areas to environmental agencies.
- Conducting regular wildlife impact assessments and implementing mitigation measures as necessary. Monitoring of water recipients is carried out in accordance with the EU Water Framework Directive.

Bruck:

- Following strict environmental management systems that integrate biodiversity conservation into operational practices.
- Collaborating with local conservation organisations to identify and protect biodiversity hotspots.

Tasmania:

- Ensuring no wood fibre is sourced from native forests, relying solely on sustainably managed plantations.
- Partnering with environmental organisations and Tasmanian authorities to support biodiversity conservation efforts .

REPORTING AND MONITORING OF BIODIVERSITY IMPACTS

To ensure transparency and accountability, Norske Skog discloses material biodiversity impacts through verifiable and scientifically robust metrics. The company assesses its operations not in proximity to biodiversity-sensitive areas and implements strategies to minimise negative effects Norske Skog reports the status annually.

METHODOLOGIES AND ASSUMPTIONS

- Metrics and scope: Norske Skog applies internationally recognised methodologies to assess biodiversity impact, covering corporate business units, site-level operations, and raw material sourcing.
- Data reliability: The group relies on a mix of primary, secondary, and modelled data sources, supplemented by expert judgment.
- Regulatory compliance: Metrics are aligned with EU biodiversity directives, FSC, PEFC certifications, and other relevant environmental regulations.
- Monitoring and adaptive management: Biodiversity data is updated continuously, ensuring adaptive strategies are implemented to mitigate identified risks.

BIODIVERSITY BASELINE AND THRESHOLDS

Norske Skog establishes biodiversity baselines based on planetary boundaries and ecological thresholds. Continuous monitoring ensures that any significant environmental changes are addressed through adaptive management. The group works with regulatory agencies, scientific institutions, and industry associations to maintain compliance and improve biodiversity conservation efforts.

By integrating biodiversity management into its long-term sustainability strategy, Norske Skog aims to mitigate negative environmental impacts while ensuring responsible forest resource utilisation. Norske Skog's commitment to 100% certified wood sourcing, habitat restoration, and sustainable water management underscores its proactive approach to biodiversity conservation.

FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.

Resource use and circular economy (ESRS E5)

1. Impacts, risks and opportunity management

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short term	Time horizon: Medium term	Time horizon: Long term
Resource inflows including use							
Utilisation of renewable and recycled resources in production of products	Impact, positive	x		x	x	x	x
Norske Skog uses renewable and recycled resources in the production of finished goods, which have several positive impacts on the environment up- and downstream in the value chain. By reusing the finished goods and using renewable resources, Norske Skog lowers the carbon footprint and help store carbon in the product life cycle. Recycling materials also help establish circular economy in which materials are being reused encouraging reduced demand for virgin raw materials. In addition, less waste is being sent to landfill by reusing materials lessening environmental contamination.							
Availability of recycled fibre for production of products	Risk	x			x	x	x
Because the authorities' climate change policy encourage use of recycled fibre in the production of paper products, it is a risk that there will be scarce availability at sustainable price level to produce paper products due to the purchasing power of our customers. Also, the use of recycled fibre may find other alternatives to paper products causing scarcety.							
Resource outflows related to products and services							
Production waste	Impact, negative		x	x	x	x	x
Waste generated from the production process, if not properly managed, can have several negative environmental impacts. Landfilling production waste, such as bark, sludge, and ash, can contribute to soil and water contamination, releasing harmful substances into surrounding ecosystems. Additionally, decomposing organic waste in landfills produces methane, a potent greenhouse gas that contributes to climate change. Improper waste disposal can also disrupt local biodiversity and ecosystems by altering soil composition and contaminating water sources.							

Norske Skog's commitment to sustainability and circular economy principles is deeply embedded in its business model, operations, and upstream and downstream value chains. The group's use of renewable and recycled resources, waste-to-energy initiatives, and waste utilisation for product development contribute significantly to reducing its environmental footprint while enhancing economic efficiency. However, there are also risks associated with the availability of recycled fibre for production due to market demand and policy influences.

Through strategic attention on optimising raw material use, energy efficiency, and waste reduction, Norske Skog demonstrates a strong commitment to sustainable business practices. The approach ensures resilience to external risks while reinforcing its competitive position in the evolving global market for renewable and recycled materials.

POLICIES

Norske Skog's resource use and circular economy policy is designed to reduce environmental impact by increasing the use of recycled and renewable resources. Implementation is closely monitored through environmental management systems and annual sustainability reporting to ensure continuous improvement.

The policy applies to the entire value chain, encompassing raw material sourcing, production processes, and end-of-life product management. All business units are required to comply with resource efficiency guidelines, and there are no significant exclusions from this policy.

Accountability for the policy rests with the board of directors, which provides oversight, while corporate management is responsible for its implementation at the operational level. Norske Skog aligns its practices with internationally recognised third-party standards, including ISO 14001, FSC, PEFC, and the EU's Zero Pollution Action Plan, ensuring adherence to best environmental practices.

Stakeholder engagement is a critical component of the policy. Norske Skog actively collaborates with governmental bodies, NGOs, suppliers, and customers to align interests and drive sustainability improvements across the industry. To maintain transparency, the policy is publicly available through sustainability reports and corporate documentation.

A key aspect of Norske Skog's sustainability strategy is the transition from virgin to recycled resources and sustainable sourcing. Norske Skog continuously enhances its recycling processes to increase the use of secondary fibers and reduce dependence on virgin materials. Additionally, Norske Skog ensures that all raw materials come from sustainably managed forests, with a strong preference for FSC- and PEFC-certified wood.

To address material impacts, risks, and opportunities (IROs) throughout the value chain, Norske Skog prioritises sustainable forestry practices and responsible supplier selection upstream. Within the operations, Norske Skog emphasises waste minimisation and circularity in production. Downstream, Norske Skog works to improve the recyclability of its finished products and actively promotes customer participation in circular initiatives.

Norske Skog adheres to the principles of the waste hierarchy, focusing first on waste prevention through efficient material use. Norske Skog encourages the reuse of byproducts wherever possible and maximises fibre recovery through recycling. Waste-to-energy initiatives further contribute to resource efficiency, while disposal is treated as a last resort to minimise landfill impact.

Circular economy principles are deeply embedded in Norske Skog's operations. Norske Skog prioritises material repurposing over recycling to extend product life cycles and designs eco-friendly products that enhance recyclability and circularity. Through these efforts, Norske Skog reinforces its commitment to sustainability, ensuring resource efficiency and a reduced environmental footprint across its entire value chain.

ACTIONS AND RESOURCES

Norske Skog is committed to optimising resource use and advancing circular economy principles throughout its operations. Norske Skog has undertaken several key actions to achieve its sustainability objectives, focusing on increasing the utilisation of renewable and recycled resources, minimising waste, and maximising resource efficiency across the value chain.

One of the primary initiatives is the increased use of renewable and recycled materials in the production of its goods. By integrating these materials, Norske Skog effectively reduces its carbon footprint while supporting a circular economy where resources are reused, thereby lowering the demand for virgin raw materials. This practice also mitigates environmental contamination by reducing landfill waste. Norske Skog has observed a growing market demand for products derived from recycled and renewable sources, particularly as governmental policies impose tariffs on fossil-based alternatives. By meeting this demand, Norske Skog actively contributes to climate mitigation efforts by reducing reliance on high-carbon-footprint materials.

Another key initiative involves utilising waste as an energy source for both Norske Skog's operations and local communities. By repurposing production waste, including bark, gas, and materials from wastewater treatment plants, Norske Skog ensures that waste serves as a valuable energy source rather than contributing to landfill accumulation. This practice aligns with Norske Skog's sustainability commitments by preventing environmental degradation and reducing harm to ecosystems. Similarly, Norske Skog is utilising waste materials for product development, particularly through the production of biogas and the repurposing of ash from energy plants as a substitute for cement. This approach not only reduces emissions but also minimises the demand for materials with a high carbon footprint, such as traditional cement.

Despite these positive impacts, Norske Skog acknowledges the risk associated with the availability of recycled fibre for production. Climate change policies encourage increased use of recycled fibers in paper production, potentially leading to supply shortages and unsustainable price levels. Additionally, alternative uses for recycled fibre could divert resources away from paper production, exacerbating the scarcity issue. Norske Skog continuously monitors market conditions and collaborates with industry partners to mitigate these risks.

To implement and sustain these initiatives, Norske Skog has established Corporate Standards with detailed environmental and societal performance improvement guidelines. Environmental considerations are integrated into strategic and operational decisions, with oversight provided by the board of directors. Business units are tasked with implementing actions that align with energy efficiency and resource utilisation targets, ensuring that production processes remain efficient and environmentally responsible.

A core focus of Norske Skog's sustainability strategy is maintaining high yield efficiency in raw material and energy use. All raw materials are sourced from sustainably managed forests, with rigorous certification standards in place to ensure compliance. Norske Skog actively participates in climate change mitigation efforts by promoting circularity in raw materials, finished goods, and waste resources. By continuously investing in innovative recycling and energy recovery technologies, Norske Skog is enhancing its environmental performance while supporting industry-wide sustainability advancements.

In its 2023 annual report, Norske Skog highlighted its commitment to resource use optimisation and circularity, emphasising key achievements such as recycling approximately 79% of its finished goods one of the highest rates within the EU. Norske Skog has also begun producing containerboard exclusively from recycled paper and developing bio-composites to replace fossil-based plastics. Additionally, its energy recovery initiatives have allowed it to reuse production waste efficiently, with sludge from wastewater treatment plants repurposed as an energy source for bio-boilers.

Looking ahead, Norske Skog will continue to implement and expand its circular economy initiatives, including further investments in renewable energy deployment, waste recovery, and sustainable material sourcing. Norske Skog aims to identify new applications for ash generated in its energy plants to reduce landfill disposal. By adhering to its sustainability commitments and continuously improving its environmental performance, Norske Skog reinforces its leadership in sustainable resource management and circular economy innovation.

3. Metrics and targets

TARGETS

Norske Skog has set ambitious targets aligned with our commitment to resource efficiency, circular economy principles, and sustainability relating to the three IROs. These targets serve as guiding benchmarks to reduce negative impacts, drive positive impacts, mitigate risks, and foster innovation across our operations and throughout our value chain.

In 2020, Norske Skog established targets to reduce negative environmental impacts, advance positive contributions, and manage material risks and opportunities within its operations. These targets align with its resource use and circular economy policies and are fundamental in ensuring sustainable and responsible operations across all business units. No new targets have been defined in 2024. In 2025 Norske Skog will evaluate updating targets in accordance with elements of MDR-T in ESRS for material IROs.

RECYCLED FIBRE

One of the primary targets is to achieve 100% recycled fibre as raw material in packaging paper products. This initiative supports Norske Skog's commitment to circular economy principles, reducing dependency on virgin raw materials and lowering the carbon footprint of production. The scope of this target applies to all packaging paper production across Norske Skog's operations, and progress is measured relative to current levels of recycled fibre usage. The baseline for this target is derived from prior years' data on fibre sourcing, with full achievement anticipated by a defined milestone year. Norske Skog has a production capacity of 210 000 tonnes of packaging paper as of 2024 but will scale up production to 760 000 tonnes of packaging paper by 2027, all based on recycled fibre.

CERTIFIED WOOD

Another key target is to ensure that 100% of the wood used in Norske Skog's mills is certified. This objective relates to sustainable sourcing and the cascading principle of renewable resource use. The certification process guarantees that all fresh fibre originates from responsibly managed forests, in alignment with national and international sustainability goals. The scope includes all mills utilising fresh wood fibre, with Chain of Custody certification systems in place to track compliance. The baseline is Norske Skog's current 96% certification level, with the goal of reaching full compliance in the near future.

WASTE MANAGEMENT

- Ash: In addressing waste management, Norske Skog aims for zero ash sent to landfill. Instead, ash will be repurposed for industrial applications, such as cement substitution and agricultural use. This initiative falls within the waste hierarchy principles, prioritising reuse and recycling over landfill disposal. Currently, 53% of ash is still landfilled, but Norske Skog is working to identify new applications and align with regulatory frameworks to minimize this percentage over time.

- Waste production process: The group has also committed to ensuring that 100% of production process waste undergoes wastewater treatment. This measure enhances environmental performance by preventing contamination and supporting the recovery of valuable materials such as biogas. The initiative is absolute in nature and applies to all Norske Skog mills globally, with a clear methodology in place for monitoring and reporting compliance.

BUILDING MATERIAL

Another crucial target is that all inbound building materials to energy plants must be certified. This ensures responsible sourcing and aligns with national and EU sustainability policies. Norske Skog collaborates with suppliers and stakeholders to guarantee compliance, reinforcing transparency and accountability in the supply chain. The certification process helps minimize environmental risks and aligns with broader sustainability initiatives in the industry.

REPORTING

Norske Skog monitors the effectiveness of these targets through structured evaluation processes, including internal audits and external third-party verifications. Progress is internally reported periodically and external reporting annually, ensuring transparency and alignment with environmental policies. Metrics and methodologies are refined based on internal system data, regulatory requirements, and stakeholder expectation to ensure continued progress toward sustainability objectives.

These targets are a combination of mandatory and voluntary commitments, with certain initiatives driven by regulatory expectations and others by Norske Skog's ambition to lead in sustainable resource management. By integrating these goals into the production, sourcing, and waste management practices, Norske Skog reinforces a role in fostering a circular economy and mitigating climate change impacts.

RESOURCE INFLOWS

Norske Skog is committed to responsible resource use, ensuring that raw materials are sourced sustainably while optimising efficiency throughout the production process. The primary inputs in our operations include fresh wood fibres, sawmill chips, recovered paper, purchased pulp, and inorganic fillers or coatings. These materials are sourced through a combination of direct procurement from certified suppliers and the integration of secondary materials to support a circular economy. The group prioritises the use of certified wood, with 99% of roundwood fibres and sawmill chips originating from sustainably managed forests under FSC and PEFC certification schemes. This commitment supports biodiversity preservation and reduces the environmental impact associated with raw material extraction.

The methodologies used to determine resource inflows are based on direct measurement, supplier certifications, and verified tracking systems. Fibre sourcing is conducted through a Chain of Custody (CoC) certification process that ensures compliance with international sustainability standards. The use of recovered paper and secondary materials is integral to Norske Skog's strategy to reduce dependency on virgin resources. In 2024, 0.7 million tonnes of recovered paper were used, contributing significantly to the circularity of the production process. Additionally, sawmill chips accounted for 9% of fresh fibre inputs, promoting resource efficiency by utilising industry by-products.

The total material usage in Norske Skog's operations during the reporting period was 1.8 million cubic meters of fresh fibre (0.85 million tonnes), supplemented by 0.7 million tonnes of recovered paper. The overall weight of inorganic fillers and coatings utilised was 144 960 tonnes. The breakdown of material inputs per mill highlights variations based on geographic location, production capacity, and available resources. For instance, the Norske Skog Skogn mill processed 842 000 million m3 (315 809 bdt) cubic meters of roundwood, whereas Norske Skog Golbey relied entirely on recovered paper as a fibre source. Such diversity in input sourcing aligns with Norske Skog's strategic objective of minimising transport distances and optimising material use.

A key component of Norske Skog's sustainability approach is the transition towards greater use of recycled materials in packaging paper production.

Norske Skog has set ambitious targets, including achieving 100% recycled fibre in its packaging paper products and ensuring that all wood used is certified. This aligns with broader industry goals and regulatory frameworks aimed at reducing reliance on virgin materials and enhancing circularity. The integration of nanocellulose and bio-composites into production at the Norske Skog Saugbrugs mill further exemplifies innovation in sustainable material use, substituting fossil-based plastic materials with renewable alternatives that can be recycled and reused.

In terms of material sustainability, the proportion of secondary or recycled materials in Norske Skog's production processes is substantial. The average recycling rate for finished goods stands at approximately 79%, the highest within the EU according to CEPI figures. Additionally, containerboard production is exclusively using recovered paper, reinforcing the group's commitment to a circular economy. Methodologies for assessing material use include supplier declarations, third-party certifications, and internal tracking systems that provide accurate and verifiable data. As Norske Skog continues to innovate and implement sustainability measures, resource efficiency and material circularity remain core priorities driving its environmental performance.

RESOURCE OUTFLOWS

Norske Skog is committed to optimising resource use and fostering a circular economy in its operations, ensuring that material flows are effectively managed to minimise waste and maximise recirculation. The company's approach is centered on efficient utilisation of raw materials, sustainable product design, and continuous process improvements. By integrating circularity principles into production, Norske Skog enhances resource efficiency, reduces waste, and promotes sustainability throughout its value chain.

RESOURCE OUTFLOWS AND MATERIAL BREAKDOWN

The primary products of Norske Skog's production processes are publication paper and packaging paper, both of which are designed with circularity in mind. In 2024, Norske Skog produced 1 516 533 tonnes of paper, utilising 1 793 338 m^3 (701 766 bdt) of roundwood and 376 995 m^3 (146 232 bdt) of sawmill chips, with a certification rate of 99%. Additionally, 688 086 tonnes of recovered paper were used as raw material, ensuring significant contributions to circularity. By leveraging both fresh fibre and recovered paper, Norske Skog balances sustainability with operational efficiency. The company also consumes 144 960 tonnes of inorganic fillers or coatings, which contribute to paper quality and performance.

A key aspect of Norske Skog's commitment to circularity is the recycling and reuse of production residues. Approximately 47% of the waste generated in 2024 was repurposed as biofuel in bio boilers, significantly reducing reliance on fossil fuels. In Europe, 55% of production waste was utilised for energy recovery, while in Australia, 58% was repurposed for agricultural applications. The sludge from wastewater treatment plants serves as an energy source, and ash from bio boilers is repurposed for use in cement and fertilizer applications. The ash generated from the combustion process totaled 109 264 tonnes, with efforts underway to find additional applications to reduce landfill dependency.

CIRCULARITY IN PRODUCT DESIGN AND WASTE MANAGEMENT STRATEGY

Norske Skog employs circular principles in its product design, ensuring that finished goods are recyclable and reusable. Norske Skog collaborates with partners in the upstream value chain, forest owner's suppliers, and other industry suppliers to improve forest management and increase the share of certified fibers. The production of containerboard exclusively from recycled paper products proves to Norske Skog's dedication to sustainability. On average, 79% of Norske Skog's finished goods are recycled, making it one of the highest recycling rates in the European market according to the European Paper Recycling Council (EPRC) in 2023.

Norske Skog's waste management strategy focuses on minimising landfill waste and maximising resource recovery. In 2024, only 15% of total production waste was sent to landfill, with the remainder repurposed for energy, construction materials, or agricultural use. Norske Skog generated 413 tonnes of hazardous waste, which was disposed of through authorized national collection systems. The company aims to further reduce hazardous waste through process improvements and enhanced resource recovery methods.

METHODOLOGIES AND REPORTING METRICS

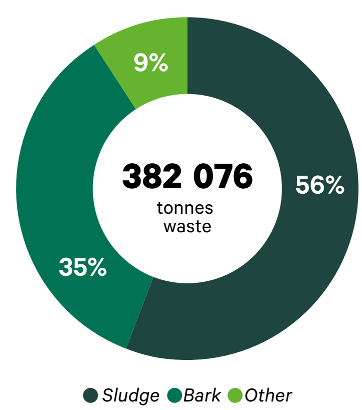
Norske Skog employs rigorous methodologies to assess and report on circularity and waste management. Norske Skog adheres to internationally recognised certification standards, including ISO 9001 and 14001, ensuring compliance with environmental regulations and industry best practices. Waste and emissions data are collected through direct measurement at production facilities, with periodic audits to verify accuracy.

By continuously refining methodologies and investing in sustainable technologies, Norske Skog is well-positioned to achieve its targets of 100% certified wood usage, zero ash to landfill, and complete integration of production waste into circular systems. Norske Skog remains committed to fostering a more sustainable and resource-efficient paper industry.

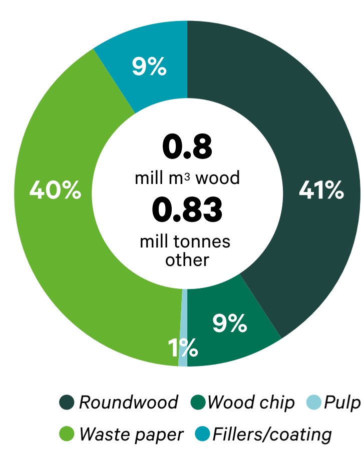
ANTICIPATED FINANCIAL EFFECTS

Norske Skog exercises the right, as per the ESRS Phase-in option, to begin reporting on this disclosure in the subsequent year.

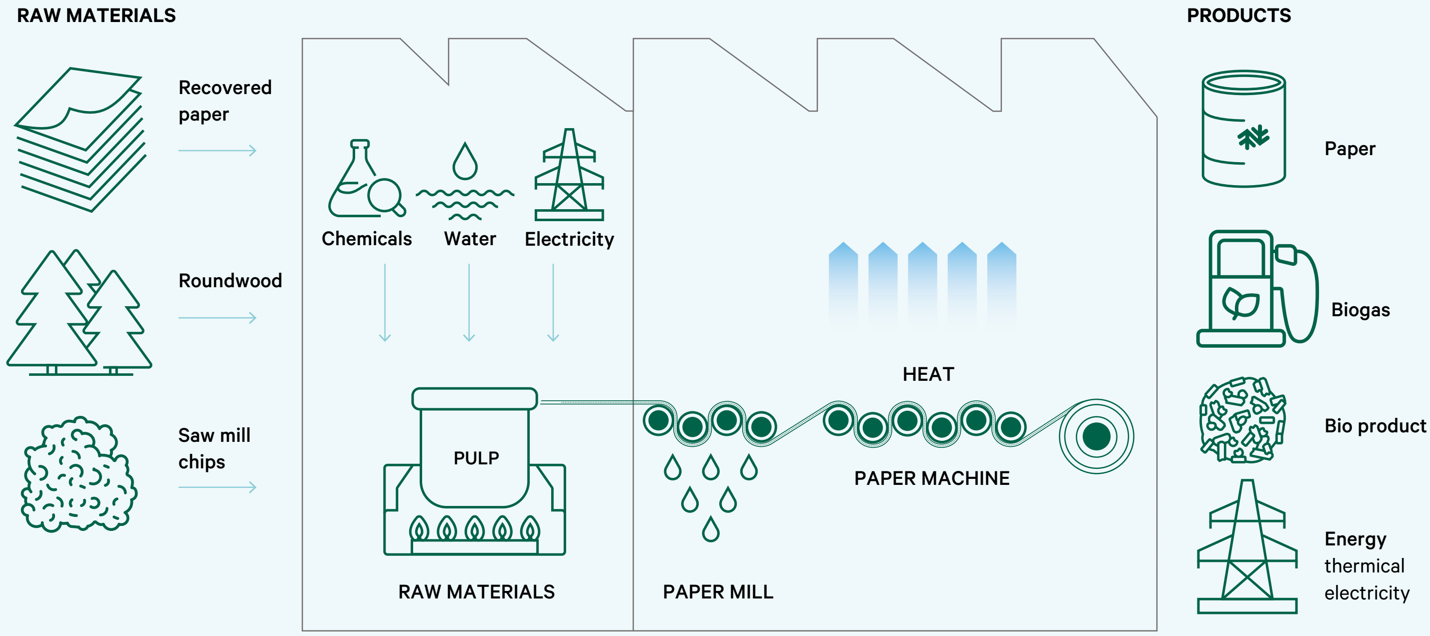
SOURCES PRODUCTION WASTE



CONSUMPTION OF RAW MATERIALS



Production process



Explanation to the diagram:

The highly simplified diagram above illustrates the paper production process. Main input materials are wood and/or recovered paper, as well as energy and chemicals. Wood and recovered fibres are separated during pulp production in two different processes.

Pulp production based on recovered paper consumes less energy than production from fresh fibre because the fibres in recovered paper are more easily separated than those within wood. In the paper machine, the pulp passes along a web, firstly through a wet section, then a press section and finally through a drying section. The paper is finally rolled up on reels, and then cut to the sizes ordered by the customer. During this process, more than 90% of the wood fibres in trees are converted to paper products.

Norske Skog Skogn
Photo: Carsten Dybevig

E5 - 4 Resource inflows	Unit	2022	2023	2024	% change 2023-24
Total	**bdt***	**1 815 124**	**1 504 498**	**1 703 950**	**13%**
Roundwood	bdt*	886 032	646 620	701 766	9%
Wood chips	bdt*	146 232	108 320	146 232	35%
Pulp	bdt*	21 157	17 236	22 906	33%
Waste paper	bdt*	565 783	596 171	688 086	15%
Fillers/coating	bdt*	195 921	136 151	144 960	6%
Certified wood fibre, FSC/PEFC**	%	94%	98%	99%	1%

** bone dried tonnes (bdt). Standard measurement unit for fresh fibre in the wood processing industry*
*** Roundwood, chips, pulp*

E5 - 5 Resource outflows	2022	2023	2024
Products put on market - recovered paper in containerboard production			
Norske Skog Bruck, Austria		100%	100%
Total Norske Skog group		**100%**	**100%**

Recovered paper in newsprint production	2022	2023	2024
Norske Skog Bruck, Austria	77%	0%	0%
Norske Skog Golbey, France	68%	100%	100%
Norske Skog Skogn, Norway	12%	12%	6%
Total Europe	**39%**	**45%**	**40%**
Norske Skog Boyer, Australia	0%	0%	0%
Total Norske Skog group	**34%**	**39%**	**34%**

Recovered paper in magazine production	2022	2023	2024
Norske Skog Bruck, Austria	19%	23%	20%
Norske Skog Saugbrugs, Norway	0%	0%	0%
Norske Skog Boyer, Australia	0%	0%	0%
Total Norske Skog group	**7%**	**7%**	**7%**

			Total		
E5 - 5 Resource outflows - waste	**Category/type**	**Unit**	**2022**	**2023**	**2024**
Waste generated		tonnes			
Non-hazardous waste diverted from disposal		tonnes	**122 927**	**142 116**	**142 116**
Recycling	Ash used in agriculture	tonnes	27 098	40 701	36 822
Recycling	Ash used in cement	tonnes	16 779	15 093	14 471
Recycling	Bed ash and other waste categories to recycling,	tonnes	79 050	86 322	90 823
Non-hazardous waste directed to disposal		tonnes	**283 225**	**239 717**	**239 547**
Incineration	Energy recovery, on site - sludge, bark	tonnes	223 165	181 585	178 615
Landfilling	Ash, plastic,	tonnes	60 060	58 132	60 932
Hazardous waste directed to disposal		tonnes	**382**	**498**	**413**
Landfilling	Asbestos to safe handling in municipal landfill	tonnes	-	-	54
Other disposal operations	Waste oil, electronics, paint etc. delivered collectors	tonnes	382	498	359
Non-recycled waste*		tonnes	**283 606**	**240 214**	**239 960**
Percentage of non-recycled waste*		%	70%	63%	63%
Total amount non-hazardous waste			**406 152**	**381 833**	**381 663**
Total amount hazardous waste			**382**	**498**	**413**
Total amount of waste			**406 533**	**382 331**	**382 076**

** Energy recovery is not included in definition of recycling in ESRS*

2 SOCIAL

Norske Skog Golbey
Photo: Carsten Dybevig

Own workforce (ESRS S1)

1. Strategy

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Location in value chain: Own operations	Location in value chain: Downstream	Time horizon: Short term	Time horizon: Medium term	Time horizon: Long term
Working conditions							
Industrial accidents	Impact, negative		x		x	x	x
Norske Skog has a negative impact on the health and safety of own workforce related to relevant risks within our industry and type of operations. Employees working in operations (process operators) are exposed to heavy machinery, hot media, harmful chemicals and risk of fires 24/7 due to shift work and continuous operations. This can lead to work related accidents and loss of life. Process operators are exposed to highest risk and other employee categories at mill sites are exposed to moderate risk. The negative impact is systemic for our industry.							
Advocate for improved working conditions through freedom of association*	Impact, negative		x		x	x	x
Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where the majority of Norske Skog employees are located. The existence of work councils and collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.							
Equal treatment and opportunities for all							
Attract and keep top talent though training and skills development	Risk		x		x	x	x
Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from a risk).							
Poor gender diversity	Risk		x			x	x
The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Poor gender diversity can lead to reputational risk and negatively impact recruitment, customers and financing. The risk is considered systemic and derived from the impact "poor gender diversity".							

** The following sub-sub-topics have been combined into one sub-sub-topic, "Freedom of association and collective bargaining" as they overlap and often addressed as one topic:*
1) Freedom of association, the existence of works councils and the information, consultation and participation rights of workers
2) Collective bargaining, including rate of workers covered by collective agreements
3) Social dialogue

The Norske Skog group aims to build a strong, secure and safe organisation founded on our core values, and our work to ensure their safety, fair treatment, and rights is central to this.

The double materiality assessment identified material impacts, risks and opportunities in relation to the following topics.

HEALTH AND SAFETY
Health and safety has the highest priority for Norske Skog, twenty-four hours a day, seven days a week. The process industry and production of pulp, paper and containerboard is exposed to inherent health and safety risks due to use of heavy machinery, hot media, chemicals and risk of fires. More than 95% of our workforce work in our production plants and the majority of these carry out key functions related to production processes. Norske Skog is committed to provide a safe working environment for our employees, contractors, and visitors.

WORKING CONDITIONS
Ensuring our employees' rights to a safe workplace, decent working conditions including working hours, conditions of employment and wages is key to employee wellbeing and a thriving business. Norske Skog is committed to practice openness, honesty and cooperation in dialogue with employees and has a long history of formal agreements with elected employee representatives all levels in the organisation, on the exchange of information and consultation. The group has developed a policy on cooperation with elected employee representatives.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL
Having a workplace where all employees feel included and motivated is important for employee wellbeing. Norske Skog's goal is to maintain a business-oriented, international organisation that attracts and retains highly competent and motivated employees on all levels. We strive to give people the opportunity to grow personally and professionally in a stimulating working environment.

The below disclosures set out our policies, actions, metrics and targets to address these topics.

All materially affected members of our workforce are included in the scope of this disclosure.

We have identified the following material impacts affecting our workforce through our double materiality assessment:

INDUSTRIAL ACCIDENTS (HEALTH & SAFETY)

Most of our workforce work in our plants where they face dangers such as exposure to heavy machinery, potential exposure to harmful chemicals, and hazardous equipment 24/7 due to shift work and continuous operations. This can lead to accidents causing injury or loss of life. This negative impact affects workers in all of Norske Skog mills and is considered systemic. Process operators, employees working in servicing and maintenance, on-site logistics and construction workers (contractors) are exposed to health and safety hazards. This actual, negative impact occurs over the short, medium and long-term.

A strong health and safety culture is directly connected to our business model and strategy and a key contribution from Norske Skog to Sustainable Development Goal 3 on "Good health and wellbeing". Norske Skog is committed to provide a safe working environment and has a long-standing history of continuous learning through the health and safety programme at the mills called "Take care 24/7". The programme receives high continued support across all operations and is supported by policies, procedures, training, risk analysis root cause analysis and best practice sharing between mills and in the industry.

WORKING CONDITIONS

Freedom of association, collective bargaining and work councils has a strong position our industry, especially in France, Norway and Austria where most Norske Skog employees are located. Globally, more than 90% of Norske Skog's workforce are covered by collective bargaining agreements. The existence of work councils, collective bargaining has a positive impact on worker's ability to advocate for improved working conditions such as working time and wages.

The impact reflects Norske Skog's values of openness, cooperation and honesty and is part of Norske Skog's approach to an inclusive and attractive workplace. The actual, positive impact is in own operations and occurs over the short, medium and long-term.

TRAINING AND SKILLS DEVELOPMENT

Norske Skog is dependent on expertise and knowledge of its employees for value creation. By investing in apprentice programs, cooperate with educational institutions and offer technical and soft skills training throughout the career, Norske Skog has identified an opportunity to attract and keep top talent (opportunity evolving from risk).

This opportunity evolves from a risk related to recruitment of new employees. Investment in training and skills development increases employee job satisfaction, reduces voluntary turnover rate and reduces recruitment costs. The opportunity is related to own operations and occurs over the short, medium and long-term.

GENDER EQUALITY – POOR GENDER DIVERSITY

The rate of female workers in the process industry and in Norske Skog is low compared to other sectors. Shift work and unfavorable working hours have been explanations for the low female share. In 2024, the female share of the total workforce was 13%, the same share as in 2023:. Poor gender diversity can lead to reputational risk and negatively impact recruitment.

Norske Skog is committed to search for female talents for a wider range of roles in our company. Norske Skog recognises that further improvement is needed, and we believe that our new strategic growth Initiatives will be instrumental in terms of diversity.

The risk is considered systemic in our industry, is related to own operations and occurs over the short-, medium- and long-term.

Norske Skog Bruck, packaging paper machine
Photo: Carsten Dybevig

2. Impact, risk and opportunity management

POLICIES

Norske Skog's core values of openness, honesty and cooperation as well as our policies and guidelines build on the UN Universal Declaration of Human Rights and the 10 principles of UN Global Compact.

Steering Guidelines

The Norske Skog Steering Guidelines is the overarching administrative document for the Norske Skog group and provides the fundament for our ethical, legal and sustainable conduct. It defines expectations of own employees and applies to all employees, including temporary personnel, who perform work for a company in the Norske Skog group. Norske Skog expect similar conduct and ethical standards from our customers and suppliers, as well as in partnerships, joint ventures and partially owned companies.

The Steering Guidelines addresses Norske Skog's commitment to a safe workplace, respect for labour rights and freedom of association, fair working conditions, personal and professional development and equal treatment and opportunities for all. As such the Steering Guidelines govern Norske Skog's approach to material impacts, risks and opportunities defined under S1.

In addition, the Steering Guidelines addresses the committed to respecting fundamental labour rights and constructive employee relations through strict adherence to international frameworks and conventions including the UN Guiding Principles for Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Fundamental Principles and Rights at Work and to local legislation where we have operations. This includes the commitment to non-harassment and discrimination on the basis of gender, religion, race, national or ethnic origin, cultural background, social group, disability, sexual orientation, marital status, age or political opinion. It also includes support for human rights and care for vulnerable groups and commitment to promote equal opportunities, diversity and inclusion by providing equal employment opportunities and treat all employees fairly and with respect.

Norske Skog's business units have a high degree of independence and accountability. Local managers are responsible and accountable for decisions and results within their units. However, Norske Skog apply a uniform basis for our operations across countries and cultures with respect to HESQ (health, environment, safety and quality), people development, financial reporting and legal compliance. In these areas, our conduct shall be based on the same principles to promote a unified Norske Skog group.

The Steering Guidelines is available on Norske Skog's webpage and its complementary documents, such as corporate standards and procedures, are available on the intranet. Steering Guidelines | Norske Skog https://www.norskeskog.com/sustainability/governance/steering-guidelines

The Steering Guidelines have been approved by the board of directors of Norske Skog AS and the guidelines and its supporting documents are subject to regular review and robust policy governance.

Health & Safety

The Steering Guidelines are complemented by the following HSE documents, which are available on our intranet:
Health, safety and security:

- Norske Skog Health & Safety Standards
- Norske Skog Health & Safety Procedures

Norske Skog Health and safety standard covers all operations, throughout Norske Skog, which have the potential to adversely affect the health and safety of people, including employees, contractors, visitors and the public.

This objective of this standard is:

- Define the minimum requirements for the Health and Safety Systems at all levels of operation,
- Provide a framework for Health and Safety Systems measurement,
- Encourage a consistent approach to Health and Safety Systems,
- Assist with the identification and sharing of current best practice between Mills
- Provide the mills the opportunity to assess themselves against the Standards and continually improve their systems,
- Enable inter-mill reviews to provide an external perspective and recommendations for improvement.

This standard and related Norske Skog Health & Safety Procedures mandates reporting of all personal injuries with absence (H1 and H2 cases), insurance cases (damage), security breach, critical unwanted incidents including fires and near misses shall be reported within 24 hours to local and corporate management.

Root cause analysis of such incidents to continuously improve our health and safety performance is mandatory. Reporting shall always be followed by a report in Synergi Life, an operational risk management tool from DNV GL which Norske Skog has used for years. Synergi, is also a source for the transfer of experience and sharing of best practices and form the basis for our internal HSE audits.

Norske Skog has monthly Management Focus Report (MFR), which is distributed to all business units for internal distribution and includes type of injury and rates of injury, occupational disease rate, lost working days due to accidents, absenteeism, total number of work-related personal injuries and fatalities, by region and business unit.

Norske Skog Supplier Code of Conduct also requires our suppliers ensure worker safety in line with applicable International Labour Standards.

The CEO is accountable for implementation of the policy, which is subject to periodic internal audit review to ensure it remains effective. All incidents are escalated to group management level for information and guidance purposes. All our business units also have local health, safety and environmental (HSE) forums where the company and trade unions have regular meetings to address local HSE issues. At these meetings, there should be an equal number of representatives from the company and the employees, with as many different groups as possible from within the organisation represented. If the organisation has Occupational Health Services, it should also be represented on the committee. Occupational Health Services should be an advisory and independent body and represent the interests of both the employer and the employees.

Norske Skog believe that issues relating to health, safety and the environment must be fully integrated into all our activities at every level and not managed as a separate and distinct function. That is why everyone working in Norske Skog – whether an employee or contractor – is accountable for the health, environmental and safety performance.

Freedom of association/cooperation with employee representatives
The Steering Guidelines are complemented by the following people and organisational documents, which are available on Norske Skog's intranet:
- Agreement IndustriALL Global Union
- The Norwegian National Collective Agreement between The Confederation of Norwegian Enterprise and the Norwegian Labour Union

Norske Skog has signed and is committed to adhering to the Agreement IndustriALL Global Union, fully supporting the individual employee's right to join a trade union and acknowledging the unions' rights according to international conventions and national regulations. Our commitment to respecting the freedom of association is embodied in the Global Framework Agreement on the Development of Good Working Relations, concluded by Norske Skog and the IndustriALL Global Union. Additionally, Norske Skog respects and supports the human rights of all individuals potentially affected by our operations and subscribes to the United Nations Global Compact principles.

Our Norwegian business units operate under the Norwegian National Collective Agreement between The Confederation of Norwegian Enterprise and the Norwegian Labour Union. This agreement ensures fair and equitable working conditions, upholding workers' rights in alignment with national labor laws and international labor standards.

Furthermore, Norske Skog's Norwegian business units have signed the IA Agreement, which is designed to promote a more inclusive workplace by reducing sickness absence rates and increasing job attendance for all employees. The IA Agreement is a collaborative effort based on tripartite cooperation between the Norwegian government, The Confederation of Norwegian Enterprise, and the Norwegian Labour Union. Although the IA Agreement is a distinctly Norwegian framework, our non-Norwegian business units operate under similar conditions, aiming for an inclusive and supportive work environment.

The IA Agreement and Norske Skog's operational objectives include developing measurable targets to prevent sickness and absence, as well as establishing verifiable activity benchmarks to ensure a proactive and professional approach to both preventive and reactive healthcare within the company. The agreement outlines implementation measures and conflict resolution mechanisms to maintain a stable and healthy working environment. To supplement our policy framework, Norske Skog has established formal agreements with elected employee representatives to facilitate information exchange and consultation at all levels of our organisation. These representatives play a critical role in advocating for the collective interests of our workforce, identify improvements, discuss and define targets while also supporting individual employees in safeguarding their rights.

However, the most valuable collaboration remains direct, face-to-face communication and employee involvement in daily operations. This fosters openness, visible leadership, and a corporate identity built on respect for each employee as an individual.

To ensure efficiency and evaluate the effectiveness of these policies, each Norske Skog mill has a structured and transparent process for cooperation, information sharing, and consultation, based on local legislation and agreements. A formal agreement is in place with all local unions in Norway to define the structure and process for handling information and consultation on common issues related to our business and operations.

The CEO is accountable for implementing the Agreement IndustriALL Global Union policy and ensuring compliance with the Norwegian National Collective Agreement and IA Agreement. These commitments are subject to periodic internal audit reviews to maintain their effectiveness and alignment with Norske Skog's broader corporate responsibilities.

All employees of Norske Skog are paid an adequate wage, in line with applicable benchmarks. All employees are covered by social protection, through public programs or through benefits offered by Norske Skog, against loss of income due to any of the following major life events: sickness, unemployment, employment injury and acquired disability, parental leave, retirement,

Training and development
Norske Skog believe in developing people through their entire employment period in Norske Skog by providing training, job enrichment and career opportunities. This commitment is addressed in the Norske Skog Steering Guidelines.

Training and development at Norske Skog is focused on structured on the job training which provide rewarding achievements, excellent career development opportunities and good results for the group. A central element in our approach to training, development and recruitment is the advanced programs for apprentices run by all mills. These programs are the preferred source when recruiting to our business and a key contribution from Norske Skog to Sustainable Development Goal 4 on "Quality Education".

Mechanisms to monitor and report the effectiveness of this commitment include reporting on targets related to apprentice programmes and recruitment of new ordinary employees recruited from apprentice programs. To support the policy commitment on training and development for all employees, Norske Skog has implemented processes and routines for assessing people performance and creating professional development plan for employees.

Gender diversity
The Steering Guidelines cover our commitment to equal treatment and opportunities for all including the commitment to promote gender diversity.
Mechanisms for managing, monitoring and reporting the effectiveness of this include reporting of female representation in general workforce and leadership positions.

Engaging with our workforce
As described in the section about policies in chapter S1, dialogue and feedback mechanisms with our employees is crucial to ensure a workplace that meets the needs and demands of our workforce and creates an environment where people thrive every day. It is also vital to ensure our employee's perspectives are considered when making decisions and developing policies, actions, metrics and targets and therefore is undertaken both in reflection of and sometimes in advance of the development and implementation of employee-related policies.

Mills monitor the progress and the wellbeing of our employees through regular employee engagement survey. This is available to all employees. Results from the surveys are shared with local mill management and with teams for follow up. The local head of human resources is responsible for all overseeing workforce engagement – this includes monitoring the actions implemented in response to the survey and undertaking periodic evaluations to evaluate their effectiveness.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

Norske Skog has a reporting channel in place for all employees and non-employees to report concerns and complaints. This is aligned to the UN Guiding Principles on Business and Human Rights effectiveness criteria. Reports can be submitted by email to compliance@norskeskog.com.

It is an important principle under the Steering Guidelines that the reporting in good faith by employees of actual or suspected breaches or other concerns within Norske Skog shall not have adverse consequences for the relevant employee's employment relationship with Norske Skog. It is equally important to avoid misuse of the reporting mechanisms, which leads to unfounded or unfair treatment or negative consequences for employees.

The Steering Guidelines are complemented by the following documents, which are available on our intranet:

- Norske Skog Reporting Routine
- Form for receiving a report on non-compliant circumstances

We ensure employees are aware of this channel by incorporating them into management touchpoints and throughout the onboarding process. For matters of legal or financial impropriety we also have in place whistleblowing policies and procedures.

We take any issues raised seriously, and all reports are treated with upmost sensitivity, and confidentiality is protected as far as possible. When a grievance is received, we conduct a due diligence process to collect facts about the case, and when verified, we seek to remedy any adverse impacts. The type and nature of remedial action will depend on the nature of the impact.

The Senior Vice President General Counsel informs the corporate management and bord of directors about grievances raised on an annual basis to understand any trends over time, and monitor the effectiveness of the system. We track trust in these mechanisms via dialogue with the local human rights and compliance officers in the mills and regional sales offices.

ACTIONS

Health & safety

To meet the commitment to a safe and healthy workplace Norske Skog actions focus on building a strong health and safety culture. Safety culture is built over time and require continuous focus, maintenance and development to remain effective.

To supplement our policy framework, Norske Skog has a health and safety programme at the business units, called "Take Care 24 hours". The programme is adapted to different cultures and local requirements where we operate and shall always meet the requirements of our health and safety standards for international activities. Two mills, Norske Skog Saugbrugs and Norske Skog Bruck, hold management system certificates for health and Safety (ISO 45001).

There are many elements that make up good health & safety management systems and all mills have regular reviews of plant & equipment integrity, legal compliance and safe working procedures. Equal important is to measure the more intangible elements like leadership commitment, communication or employee participation and safe working behaviour. Widespread awareness is integral to the management and prevention of safety hazards. Actions related all elements are in place in all mills and serve to reduce safety hazards. Additionally, the health & safety policy and management system is available to all staff via the intranet.

Norske Skog continue to evolve and improve its health and safety programme.

Below is a list of actions that was carried out in the reporting year related to health and safety targets (S 1-5);

Zero injuries:

- New PPE directive related to handling of hot media: Ongoing implementation of the new PPE directive on hot media rolled out in all mills.
- Maintenance and repair: Improved routines for maintenance- and cleaning stops due to identified high risk procedures at identified mills.
- New procedures: Draft and implement new procedures and staff training for new facilities and operations at Bruck and Golbey mill.
- Visible leadership: Increased focus on safety walks centred around process observation and behaviour, documentation and standards for H&S leadership.
- Awareness-raising campaigns: Several mills have rolled out awareness-raising campaigns related to Norske Skog health and safety programme "take care 24/7".

Reduce sick leave:

- Medical centres: Continued operations of BU medical centres
- Well-being: initiatives initiated at mills offering local fitness services, social events

Knowledge sharing:

- Internal knowledge network: regular meetings with health and safety managers from European mills focused on review of risk and sharing of best- practices.
- Training: Evaluation of mill health and safety training with increased focus on new production processes and facilities at Bruck and Golbey.

These, and other local actions rolled out by the mills, help us to improve how we address health & safety impacts, risks and opportunities. Norske Skog continues to monitor the effectiveness of management systems and evaluate necessary actions to keep all employees safe.

Freedom of association/cooperation with employee representatives

Throughout the year, business units have remained focused on measures that can support improved working conditions. Actions include:

- Adjustment of wages based on job description and responsibilities in cooperation with labour unions
- Employee surveys mapping working environment, mental and physical stress and employee well being
- Dialogue with employee representatives and unions related to organisational changes, reduction in workforce and temporary employment

In addition to attractive working conditions, several of Norske Skog mills offer employees' pension- and insurance plans, subsidised lunch and gym access.

To support Norske Skog's policy commitment and target to invest in our employees, business units have implemented planned actions in the following areas in 2024:

INVEST IN OUR PEOPLE THROUGH TRAINING AND DEVELOPMENT

Employee training and development plans varies depending on job profiles, type of machinery and individual needs. Education and training are part of the annual cycle at all mills. Local human resource management and respective divisions keep track of all planned training and update schedules according to needs. New employees are assigned to training programs according to their job profile.

Over the last two years Norske Skog has been setting up a containerboard knowledge network group to prepare the workforce for entering the packaging paper market. Actions in this area has been maintained during 2024 and is related to the business model and strategy of the group to diversify its operations in new growth markets.

ATTRACT AND KEEP TOP TALENT

All business units cooperate with selected schools, colleges, and universities in their region. The engagement embraces annual activities such as mill visits, project work, diploma theses, trainee, and apprentices' programs. Norske Skog takes pride in delivering advanced programs for apprentices. These programs are the preferred source when recruiting to our business.

All mills are increasing their efforts related to talent acquisition and development. Key actions in the reporting year include dialogue and awareness raising with managers. This includes approaches to stimulate mid-level managers to improve the completion rate for annual performance reviews and development plans. The mills are working to identify challenges and solutions to further improve the execution of annual performance reviews development plans in 2025.

Gender diversity

Norske Skog mills are responsible for implementing local measures related to inclusion and diversity, including gender diversity to support Norske Skog's policy commitment. All mills work systematically with locally defined annual action plans and roll out appropriate measures.

Some mills have established Inclusion and Diversity Committees that hold the main responsibility for this work. These committees typically consist of the chief union representative, the chief safety delegate, representatives from management, and HR (i.e., a joint committee). The committee has regular meetings and works to investigate and evaluate risks of discrimination, plan and implement measures. The committees are responsible for rolling out annual initiatives aimed at strengthening diversity, preventing discrimination, and creating an inclusive culture in the workplace.

An important part of the work to ensure equality and improve gender diversity in the workplace takes place during recruitment processes (internal and external).

In 2024, actions implemented in the mills have been focused on:

- Actively collaborating with educational institutions so that we become visible to students early in their education. Especially the opportunities available in vocational education, with a particular focus on recruiting female employees.
- Motivating female employees to take on leadership positions, especially process operators
- Ensuring that unconscious bias regarding gender, ethnicity, orientation, age, and disability do not appear in the recruitment process.
- Objective tests and selection criteria are applied used in the recruitment to ensure that all candidates are evaluated on equal measures.

Norske Skog mills are actively working to increase the proportion of female employees, and some mills have defined targets to increase the proportion of women in their workforce and leadership positions.

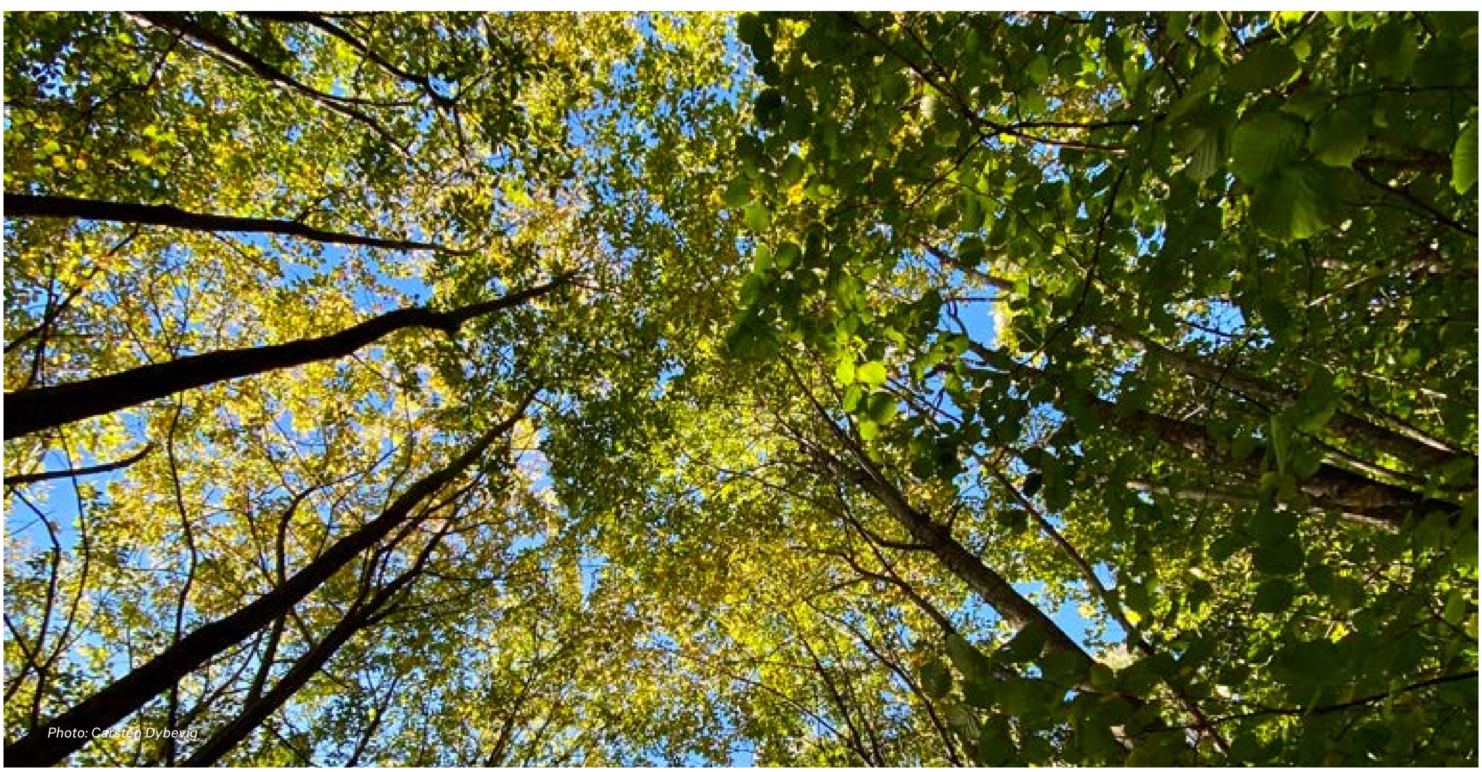


Photo: Carsten Dybevig

3. Performance, metrics and targets

TARGETS

Health & safety targets

Norske Skog has set the following targets to meet the commitment to a safe and healthy workplace and to support Sustainable Development Goal 3 related to “Good health and wellbeing”. The targets were set in 2020 and the scope include all employees and contractors. During 2025 Norske Skog plans to review targets in accordance with elements of MDR-T in ESRS.

Focus area	Ambition/area	Target	Planned actions
Health & safety	Increase job attendance for all employees	Reduce absenteeism	• Provide medical assistance for injuries • Provide health and wellbeing programmes for employees
	Health & safety	Reach zero personal injuries (H1 and H2)	• Develop leadership training program • Perform regular self–assessments to identify areas of improvement
	Inspire others to learn from our occupational health and safety standards	Share knowledge through relevant professional forums and industry organisations	• Participate in and share knowledge with membership association like Federation of Norwegian Industries and CEPI (Confederation of European Paper Industry) • Review and develop internal e-Learning HESQ-material for local training • Focus on Contractor Management contracts

Working conditions targets - Freedom of association/cooperation with employee representatives

Norske Skog’s target related to working conditions are covered by our targets related to health and safety and training and development.

Training & development targets

The Norske Skog group aims to be an attractive employer in our communities where we operate. In 2020 we defined the following targets to support our ambitions to attract and keep top talent. Norske Skog plans to review targets and related planned actions in 2025.

Focus area	Ambition/area	Target	Planned actions
Learning and development	Attract and keep top talent	Achieve at least 75% of new hired skilled workers to be recruited from apprentices programs by 2025	Implement advanced apprentice programs and extended training programs at all mills.
		Offer ten trainee positions or internships for master degree students annually	Cooperate with local schools and selected universities about relevant programs
	Invest in our people through training and development	Provide training modules for technical core skills, soft skills and compliance skills	Offer training and supplementary education for all through their entire job career
		Achieve a 100% completion rate for annual performance reviews and development plans.	Stimulate mid-level managers to carry out performance reviews and annual plans for training and development

Gender diversity

Norske Skog operates in a male-dominated industry. Improving the share of female employees is a focus area in recruitment of new employees. The Norske Skog group has not set formal targets at group level in this area.

ACCOUNTING POLICIES

Characteristics of own employees

Annual metrics reported in this chapter represent status per end of December for each year.

Employee data on headcount is reported monthly in Adaptive, Norske Skog's finance reporting tool. Reporting on own workforce include full-time employees, temporary employees, non-guaranteed hours employees, apprentices and internal resources.

External contractors are considered non-employees in Norske Skog's workforce and include people not on Norske Skog payroll running their own business or being employed by a contractor, agency or supplier company working on a regular basis within the unit.

Full-time employees mean employees on ordinary/permanent employment contract with Norske Skog. This includes employees on leave, holiday, and sick absence but still on payroll. Employees on non-paid leave are included as long as they have a formal employment with Norske Skog.

Temporary employees are employees on a temporary contract with Norske Skog covering vacancies, holidays, projects, temporary workloads or other special reasons. Temporary employees include apprentices.

Apprentices are normally younger people who are recruited on a temporary employment contract with the main objective to develop their professional skills and competence. Normal working tasks and responsibilities, "on the job training", might be a part of their development activities. This includes trainees, apprentices or graduates on special graduate programs. Apprentices can be fully or partly financed by external or public sources.

Top management is defined as employees in the following levels of the organisation; corporate management team, mill management team and Hub MD and inside sales managers. Other management is defined as management level below top management that include personnel responsibility.

Breakdown of employee data by gender and employment type is reported by headcount for 2024. Data for 2023 and 2022 is reported by FTE. Employment type by gender and age group for 2022 and 2023 has been estimated based overall gender split.

Health and safety

Reporting of incidents, root cause analysis and related data is reported in Synergi Life, an operational risk management tool from DNV GL.

Rate of recordable work-related accidents (TRI): This includes total number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked (H1 in Norway). Lost days due to work-related injuries, ill-heath, accidents and fatalities (LTI): This includes lost time injuries per million working hours (H2 in Norway).

Social dialogue and collective bargaining

Data is reported to corporate head quarter as part of the ESRS reporting on an annual basis in Adaptive, Norske Skog's finance reporting tool. Data reporting started in Adaptive for 2024. Data for 2022 and 2023 was collected from entities in excel based reporting tools.

Employees covered by collective bargaining agreements are those individuals to whom Norske Skog is obliged to apply the agreement. Data for 2024 has been reported by headcount in adaptive, data for 2023 and 2022 is covering permanent employees only.

Workers' representatives mean trade union representatives, namely representatives designated or elected by trade unions or by members of such unions. Data has been reported in adaptive for 2024 and estimated for 2023 and 2022.

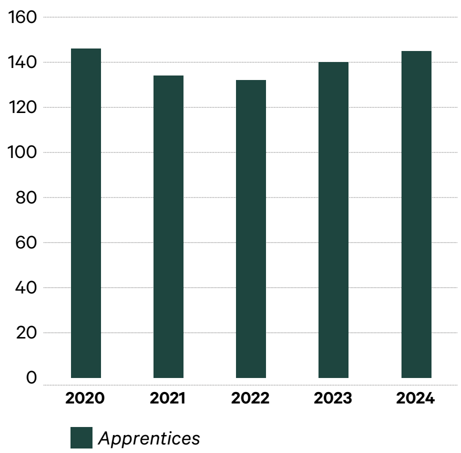
Training and development

Data is reported to corporate head quarter as part of the ESRS reporting on an annual basis in Adaptive, Norske Skog's finance reporting tool. Data reporting started in Adaptive for 2024. Data for 2022 and 2023 estimated based on 2024.

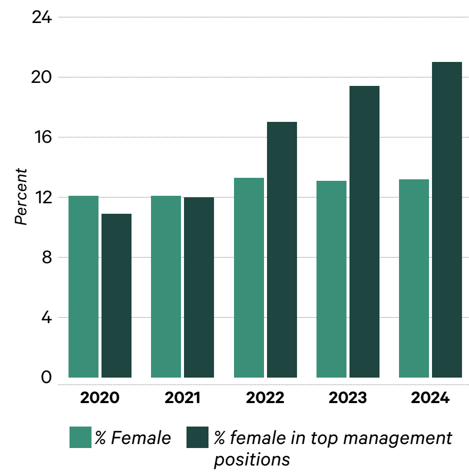
Training hours have been estimated on hours allocated to annual training programs and performance reviews. There is no consolidated summary tool for counting the group's actual hours.

Training hours include initiatives put in place by Norske Skog aimed at the maintenance and/or improvement of skills and knowledge of own employees. It can include different methodologies, such as on-site and on-the-job training, and online training. Training can be conducted by internal or external staff. Apprentice training (external and on the job) is not included. shall not be counted in this category.

APPRENTICES AND TEMPORARY EMPLOYEES
Headcount



SHARE OF FEMALE EMPLOYEES
In organization and management positions (%)



S1-6 Turnover rate	Unit	2022	2023	2024
Employee turnover rate	%	14	11	11
Number of employees who left	Number	256	223	224

S1-6 Number of employees - by gender and employment type*		2022			2023			2024		
Number of employees	Unit	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL	FEMALE	MALE	TOTAL
Number of permanent employees	Number	252	1 640	1 892	255	1 691	1 946	247	1 653	1 900
Number of temporary employees	Number	13	84	97	8	55	63	25	160	185
Number of non-guaranteed hours employees	Number	3	16	19	2	10	12	3	14	17
Total	Number	**285**	**1 855**	**2 140**	**283**	**1 878**	**2 161**	**275**	**1 827**	**2 101**
Apprentices	Number	18	114	132	18	122	140	18	127	145
Number of non-employees										
External contractors	Number			0			0	6	15	21

*Data for 2024 reported by headcount, data for 2023 and 2022 reported by FTE. Employment type by gender 2022 and 2023 estimated based overall gender split

S1-6 Number of employees - by country**		Number of employees		
Austria	Number	486	510	513
France	Number	401	426	415
Germany	Number	17	15	12
Italy*	Number	10		
Norway	Number	907	893	839
United Kingdom	Number	10	10	10
Australia	Number	309	307	312
Total	**Number**	**2 140**	**2 161**	**2 101**

*Office closed December 2022
**Data for 2024 reported by headcount, 2023 and 2022 by FTE

S1-8 Collective bargaining and social dialogue	Unit	2022	2023	2024
Employees covered by collective bargaining agreements*	%	88	90	86
Employees covered by workers representatives**	%	80	80	81

*Data for 2024 reported by headcount, 2023 and 2022 by FTE
**Data estimated for 2022 and 2023

S1-8	Collective bargaining coverage		Social dialogue
Coverage rate	Employees – EEA	Employees – Non-EEA	Workplace representation
60-79%		Australia	Australia, Austria
80-100%	Norway, France, Austria		Norway, France

S1-9 Diversity	Unit	2022	2023	2024
Gender diversity				
Women in top management	number	9	10	11
Women in top management	%	17	19	21
Women in other management positions	%	12	14	17
Distribution of employees by age group*				
Under 30 years old	%	15%	15%	15%
Between 30-50 years old	%	37%	37%	37%
Over 50 years old	%	48%	48%	48%

** Distribution of employees by age group estimated for 2022, 2023*

S1-13 Training and skills development	2022	2023	2024
% Participation in performance reviews	**32%**	**40%**	**56%**
Of which% were men*	69%	69%	69%
Of which% were women*	31%	31%	31%
Total performance reviews	**682**	**862**	**1 181**
Performance reviews per employee	1	1	1
% agreed reviews in the year (Target)	100	100	100
Total number of training hours*	**38 806**	**39 203**	**46 540**
Men	34 315	34 742	42 143
Women	4 491	4 462	4 397
Average number of training hours*	**17**	**17**	**20**
Men	18	18	23
Women	16	16	16

** Data for 2022 and 2023 estimated based on 2024*

S1-14 Health and Safety metrics	2022	2023	2024
% workforce covered by H&S management system (based on headcount)	100%	100%	100%
Number of fatalities	**0**	**0**	**0**
Employees	0	0	0
Value chain workers working on own sites	0	0	0
Number of recordable work-related accidents	26	23	36
Rate of recordable work-related accidents (H1)*	7.1	5.7	9.9
Number of days lost to work-related injuries. ill-heath. accidents and fatalities	3	7	8
Lost days due to work-related injuries. ill-heath. accidents and fatalities (H2)*	0.8	1.9	2.2
Absence due to illness	4.7	4.5	4.6

** Total number of fatalities, lost time injuries, substitute work, and other injuries requiring treatment by a medical professional per million hours worked.*
*** Lost time injuries per million working hours (LTI)*

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CORPORATE GOVERNANCE

Norske Skog Bruck, pulp tower
Photo: Carsten Dybevig

Business conduct (ESRS G1)

1. Material impacts, risks and opportunities

The materiality assessment identified the following impacts and risks relating to business conduct to be material to Norske Skog:

ESRS G1 Business conduct
Material Impacts risks and opportunities

Impacts, Risks and Opportunities (IRO)	Type	Location in value chain: Upstream	Own operations	Downstream	Time horizon: Short term	Medium term	Long term
Corporate culture							
Unethical business practice	Risk		x		x	x	x
Norske Skog is a global company, and engaging with international business partners inherently carries the risk of unethical practices. Within our own operations, the sales and procurement organisations face an elevated risk when securing contracts. Such incidents could result in fines and reputational damage, potentially undermining trust and relationships with customers, suppliers, and employees.							
Protection of whistleblowers							
Failure to protect whistleblowers	Risk	x	x	x	x	x	x
Failure to protect whistleblowers could lead to reputational damage and undermine trust and relationships with customers, suppliers, and employees. A failure to uphold the anonymity principle may result in job insecurity and negatively impact the whistleblower's wellbeing.							

BUSINESS CONDUCT
We are committed to conducting our business with integrity and ensuring compliance with all applicable laws and regulations. We seek to embed a strong compliance culture through regular training and awareness raising.

At Norske Skog, our material risks related to business conduct reveal both negative and positive dimensions, tied to our business model, operations, and value chain. Risk like unethical business practices, are concentrated within our own operations particularly in sales and procurement where securing contracts globally heightens exposure to risks like anti-competitive behaviour, especially in regions with weaker regulatory frameworks. Upstream, our supply chain faces risks from supplier non-compliance with ethical standards, while downstream, customer trust could erode if our publication paper operations are linked to unethical conduct. Measures to mitigate the risks are handled in our robust Steering Guidelines, fostering a culture of openness, honesty, and cooperation across all business units, enhancing our reputation as a "best in class" partner. These risks influence our strategy by reinforcing zero-tolerance policies and due diligence processes, with ongoing adjustments to training and auditing to mitigate risks. Over the short term (1-3 years), reputational damage or fines could disrupt operations, while long-term (5-10 years) resilience hinges on sustained ethical performance. Our involvement arises directly from our global activities and business relationships, necessitating vigilant oversight of suppliers and joint ventures. To assess resilience, we qualitatively evaluate compliance adherence and quantitatively monitor incident reports, ensuring our strategy adapts to emerging risks over these time horizons.

The effects of these risks are profound: unethical practices could harm employee wellbeing, local communities, and environmental standards particularly in resource-intensive regions while our ethical commitments uplift stakeholder trust and support human rights, aligning with our business model's emphasis on sustainability and independence of local units. Material risks may often originate from external pressures in high-risk markets. We respond by embedding ethical principles into decision-making, with plans to further integrate the Code of Conduct into supplier contracts. No significant shifts in risks occurred compared to the last reporting period, reflecting stable governance amid growing international exposure.

Material business-conduct risks at Norske Skog center on unethical practices and whistleblower protection failures, while risk mitigating measures lie in leveraging our ethical framework to strengthen market position. Risks are concentrated in our own operations sales and procurement teams navigating international deals and upstream, where suppliers in diverse geographical areas (e.g., Asia or emerging markets) may flout anti-competitive norms. Downstream, risks emerge if distributors or customers perceive inconsistent ethical standards. These risks currently strain financial performance via potential fines (estimated at 1-5% of annual revenue in severe cases) and reputational costs. We respond by enforcing the Steering Guidelines. Resilience is qualitatively assessed via stakeholder feedback and quantitatively via compliance incident trends, projecting stability over short-term (1-2 years), medium-term (3-5 years), and long-term (10+ years) horizons. Compared to the prior period, risks remain steady, though opportunities may grow with increased supplier engagement.

Financially, risks could reduce cash flows by 2-3% (estimated figure) annually in the short term if severe incidents occur, with medium-term recovery dependent on mitigation investments. Current financial effects are minimal, with no significant adjustments to assets or liabilities anticipated within the next year. Our strategy's resilience withstands risks through geographically diversified operations and robust reporting, with qualitative evaluation of legal exposure and quantitative forecasts of penalty impacts ensuring preparedness. Anticipated effects remain manageable, with no transformative divestments or acquisitions planned.

PROMOTING A CULTURE OF INTEGRITY

Norske Skog's policies addressing material business conduct impacts, risks, and opportunities are rooted in our Steering Guidelines and Code of Conduct, overarching frameworks approved by the board of directors. These guidelines tackle unethical practices and whistleblower protection by mandating ethical, legal, and sustainable conduct across all operations, with a zero-tolerance stance on non-compliance. Key contents include anti-corruption measures, compliance with laws, and robust reporting mechanisms, directly addressing risks like reputational damage and fines from unethical behavior in sales and procurement, as well as trust erosion from whistleblower neglect.

The policy applies universally to all employees, temporary staff, and, where feasible, partly owned companies, with no exclusions, covering the entire value chain. Implementation is overseen by the CEO, cascading through line management, and aligns with the UN Convention against Corruption through its bribery prohibition. Stakeholders' interests, particularly employees and business partners, are considered to foster trust, and the guidelines are accessible via the intranet, supported by training and auditing to monitor efficacy.

Our corporate culture of openness, honesty, and cooperation is established and promoted through the Steering Guidelines, which every employee must follow, reinforced by leadership's commitment to model impeccable behavior. We develop this culture via a people-oriented strategy, encouraging professional growth and inclusivity, and evaluate it through regular training, audits, and compliance reporting, ensuring alignment with our "best in class" goal. Concerns about unlawful or unethical conduct are identified and reported via multiple channels superiors, HR, HSE reps, or a confidential email (compliance@norskeskog.com) accessible to internal and external stakeholders. Investigations are prompt, independent, and objective, extending beyond whistleblower reports, with the corporate legal department ensuring rigor. External investigators will be used when appropriate and especially in situations where members of the board or corporate management are reported to the whistleblower function. Typical external investigator could be a lawyer, auditor or other expert independent of Norske Skog and the persons involved.

Sales and procurement functions are most at risk for anti-competitive behaviour due to global contract dealings, targeted by mandatory training. This training, offered annually to all employees, covers ethical conduct in depth, with records tracking participation and effectiveness.

Whistleblower protection is embedded in the Steering Guidelines, offering confidential reporting channels and explicit non-retaliation guarantees per Directive (EU) 2019/1937. We provide training to workers on reporting processes and to staff handling reports, ensuring awareness and competence. The guidelines' efficacy is monitored via the Continuous Compliance Program, with local management agendas and incident reports tracking progress. In especially serious cases, the compliance officer will consult with the board of directors to determine if any regulatory and/or authority will be reported to. Empirical evidence proves that most of the whistleblower cases being reported are human resource issues and handled accordingly. This comprehensive approach, rooted in our core values, ensures accountability, protects stakeholders, and upholds our ethical standards across all business conduct matters.

2. Metrics and targets

No incidents related to fraud, corruption, bribery, breach of anti-trust, competition laws and whistleblowing cases were reported in 2024.

Norske Skog did not receive any convictions or fines for violations of anti-corruption or anti-bribery law in the year, nor has it been subject to any legal action relating to corruption and bribery.

All employees have undergone annual training sessions both for new employees and repetitive training for existing employees.

Photo: Carsten Dybevig

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APPENDIX

Norske Skog Golbey, pipes to air condenser
Photo: Carsten Dybevig

CONTENT INDEX OF ESRS DISCLOSURE REQUIREMENTS

List of material DRs	Reference - section in report
ESRS 2 - General disclosures	
BP-1 General basis for preparation of the sustainability statement	General disclosures - Basis for preparation
BP-2 Disclosures in relation to specific circumstances	General disclosures - Basis for preparation
GOV-1 The role of the administrative, management and supervisory bodies	General disclosures - Governance
GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	General disclosures - Governance
GOV-3 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
GOV-4 Statement on due diligence	General disclosures - Governance
GOV-5 Risk management and internal controls over sustainability reporting	General disclosures - Governance
SBM-1 Strategy, business model and value chain	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
SBM-2 Interests and views of stakeholders	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	General disclosures - Strategy, stakeholders, material impacts, risks and opportunities
IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	General disclosures - Impacts, risks and opportunity management
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
E1-1 Transition plan for climate change mitigation	Climate change (ESRS E1) - Strategy
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change (ESRS E1) - Impacts, risks and opportunities
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E1-2 Policies related to climate change mitigation and adaptation	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-3 Actions and resources in relation to climate change policies	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-4 Targets related to climate change mitigation and adaptation	Climate change (ESRS E1) - Metrics and targets
E1-5 Energy consumption and mix	Climate change (ESRS E1) - Metrics and targets
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Climate change (ESRS E1) - Metrics and targets
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E2-1 Policies related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-2 Actions and resources related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-3 Targets related to pollution	Pollution (ESRS E2) - Metrics and targets
E2-4 Pollution of air, water and soil	Pollution (ESRS E2) - Metrics and targets
E2-5 Substances of concern and substances of very high concern	Pollution (ESRS E2) - Metrics and targets
E1 - Climate change	
ESRS 2 GOV-3-E1 Integration of sustainability-related performance in incentive schemes	General disclosures - Governance
E1-1 Transition plan for climate change mitigation	Climate change (ESRS E1) - Strategy
ESRS 2 SBM-3-E1 Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change (ESRS E1) - Impacts, risks and opportunities
ESRS 2 IRO-1-E1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E1-2 Policies related to climate change mitigation and adaptation	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-3 Actions and resources in relation to climate change policies	Climate change (ESRS E1) - Impacts, risks and opportunity management
E1-4 Targets related to climate change mitigation and adaptation	Climate change (ESRS E1) - Metrics and targets
E1-5 Energy consumption and mix	Climate change (ESRS E1) - Metrics and targets
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	Climate change (ESRS E1) - Metrics and targets
E2 - Pollution	
ESRS 2 IRO-1-E2 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E2-1 Policies related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-2 Actions and resources related to pollution	Pollution (ESRS E2) - Impacts, risks and opportunity management
E2-3 Targets related to pollution	Pollution (ESRS E2) - Metrics and targets
E2-4 Pollution of air, water and soil	Pollution (ESRS E2) - Metrics and targets
E2-5 Substances of concern and substances of very high concern	Pollution (ESRS E2) - Metrics and targets

List of material DRs	Reference - section in report
E3 - Water and marine resources	
ESRS 2 IRO-1-E3 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E3-1 Policies related to water and marine resources	Water and marine resources (ESRS E3) - Impacts, risks and opportunity management
E3-2 Actions and resources related to water and marine resources	Water and marine resources (ESRS E3) - Impacts, risks and opportunity management
E3-3 Targets related to water and marine resources	Water and marine resources (ESRS E3) - Metrics and targets
E3-4 Water consumption	Water and marine resources (ESRS E3) - Metrics and targets
E4- Biodiversity and ecosystems	
E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2 SBM-3-E4 Material impacts, risks and opportunities and their interaction with strategy and business model	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2 IRO-1-E4 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks dependencies and opportunities	General disclosures - Impacts, risks and opportunity management
E4-2 Policies related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Impacts, risks and opportunity management
E4-3 Actions and resources related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Impacts, risks and opportunity management
E4-4 Targets related to biodiversity and ecosystems	Biodiversity and ecosystems (ESRS E4) - Metrics and targets
E4-5 Impact metrics related to biodiversity and ecosystems change	Biodiversity and ecosystems (ESRS E4) - Metrics and targets
E5- Resource use and circular economy	
ESRS 2 IRO-1-E5 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
E5-1 Policies related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Impacts, risks and opportunity management
E5-2 Actions and resources related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Impacts, risks and opportunity management
E5-3 Targets related to resource use and circular economy	Resource use and circular economy (ESRS E5) - Metrics and targets
E5-4 Resource inflows	Resource use and circular economy (ESRS E5) - Metrics and targets
E5-5 Resource outflows	Resource use and circular economy (ESRS E5) - Metrics and targets
S1- Own workforce	
ESRS 2 SBM-2-S1 – Interests and views of stakeholders	Own workforce (ESRS S1) - Strategy
ESRS 2 SBM-3-S1 - Material impacts, risks and opportunities and their interaction with strategy and business model	Own workforce (ESRS S1) - Strategy
S1-1 Policies related to own workforce	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Own workforce (ESRS S1) - Impacts, risks and opportunity management
S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Own workforce (ESRS S1) - Metrics and targets
S1-6 Characteristics of the undertaking's employees	Own workforce (ESRS S1) - Metrics and targets
S1-7 Characteristics of non-employees in the undertaking's own workforce	Own workforce (ESRS S1) - Metrics and targets
S1-8 Collective bargaining coverage and social dialogue	Own workforce (ESRS S1) - Metrics and targets
S1-9 Diversity metrics	Own workforce (ESRS S1) - Metrics and targets
S1-13 Training and skills development metrics	Own workforce (ESRS S1) - Metrics and targets
S1-14 Health and safety metrics	Own workforce (ESRS S1) - Metrics and targets
G1 - Business conduct	
ESRS 2 SBM-3-G1 Material impacts, risks and opportunities and their interaction with strategy and business model	Business conduct (ESRS G1) - Impacts, risks and opportunity management
ESRS 2 GOV-1-G1 The role of the administrative, management and supervisory bodies	General disclosures - Governance
ESRS 2 IRO-1-G1 Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures - Impacts, risks and opportunity management
G1-1 Business conduct policies and corporate culture	Business conduct (ESRS G1) - Impacts, risks and opportunity management
G1-3 Prevention and detection of corruption and bribery	Business conduct (ESRS G1) - Metrics and targets
G1-4 Incidents of corruption or bribery	Business conduct (ESRS G1) - Metrics and targets

Norske Skog Bruck, energy plant
Photo: Carsten Dybevig

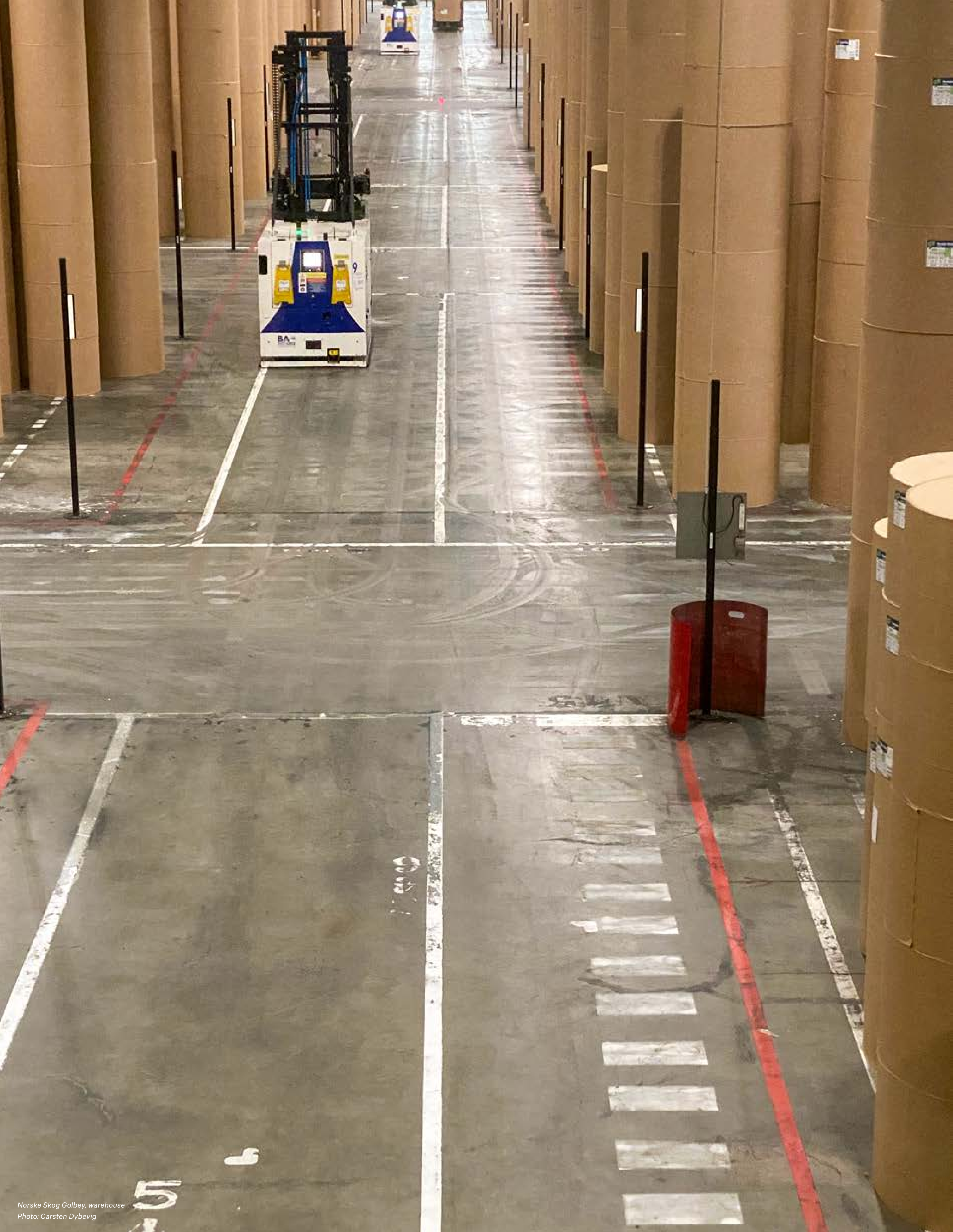
LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Governance - Competence and expertise in governing bodies
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Climate change (ESRS E1) - Strategy - Transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	N/A - Phasing in requirement

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	N/A - Phasing in requirement
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	Governance - Competence and expertise in governing bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	Governance - Competence and expertise in governing bodies
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013: Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Material	Climate change (ESRS E1) - Strategy - Transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book - Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not material	N/A
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	Climate change (ESRS E1) - Metrics and targets
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not material	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Material	N/A - Phasing in requirement

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Material	N/A - Phasing in requirement
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Material	N/A - Phasing in requirement
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Material	N/A - Phasing in requirement
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Material	Pollution (ESRS E2) - Metrics and targets
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	N/A
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	N/A
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Material	Water and marine resources (ESRS E3) - Metrics and targets
ESRS 2- SBM-3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2- SBM-3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS 2- SBM-3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	Biodiversity and ecosystems (ESRS E4) - Strategy
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E4-2 Sustainable oceans /seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	N/A - Voluntary disclosure
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Material	Resource use and circular economy (ESRS E5) - Metrics and targets
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Material	Resource use and circular economy (ESRS E5) - Metrics and targets
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material	N/A
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material	N/A
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Not material	N/A
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	Own workforce (ESRS S1) - Policies
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material	N/A

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Material/not material	Paragraph reference annual report
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Policies
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Policies
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	Own workforce (ESRS S1) - Metrics and targets
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	Own workforce (ESRS S1) - Metrics and targets
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material	N/A
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Not material	N/A
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	N/A
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	N/A
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	N/A
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	N/A
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	N/A
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				Not material	N/A
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material	N/A
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	Business conduct (ESRS G1) - Metrics and targets
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	Business conduct (ESRS G1) - Promoting a Culture of integrity



Norske Skog Golbey, warehouse
Photo: Carsten Dybevig

Board of directors statement on corporate governance

Norske Skog ASA is the ultimate parent company of the Norske Skog group, which is a paper manufacturing group with production and sales operations in Europe. Norske Skog's goal is to increase shareholder value, through profitable and sustainable production of publication and packaging paper as well as other fibre and energy related business. Norske Skog ASA is a Norwegian registered public limited liability company listed on the Oslo Stock Exchange and is subject to Norwegian law, including Norwegian and EU securities legislation and stock exchange regulations.

The board of directors of Norske Skog has a strong focus on ensuring compliance with applicable corporate governance standards. Norske Skog is subject to reporting requirements for corporate governance pursuant to Section 2-9 of the Norwegian Accounting Act and complies with the Norwegian Code of Practice for Corporate Governance (the "Code", see www.nues.no, English pages). The Code was last revised on 14 October 2021.

Corporate governance principles as referred to in this statement define roles and responsibilities, powers, and processes, between and within governing bodies, such as the general meeting, the board of directors and the corporate management. For further information on corporate bodies and corporate governance matters, please visit Norske Skog's website www.norskeskog.com/sustainability/governance.

Corporate governance is continuously addressed by the board of directors, and the board of directors has approved this corporate governance statement. There are no material amendments to the corporate governance statement compared to the corporate governance statement included in the annual report for 2023.

1. Implementation and reporting on corporate governance

This corporate governance statement follows the structure of the Code published on 14 October 2021. Deviations from the Code shall be explained where relevant in this statement, together with a summary of all deviations in this section 1.

There are currently no deviations from the Code.

The corporate governance principles adopted by Norske Skog are set out in the company's Corporate Governance Policy and are fundamental for the company's corporate governance and value creation. Norske Skog's Corporate Governance Policy is based on the Code and, as such, it is designed to establish a basis for good corporate governance and to support achievement of the company's core objectives on behalf of its shareholders, including the achievement of profitability for the shareholders of Norske Skog in a sustainable manner. The way Norske Skog is governed is vital to the development of its value over time.

Norske Skog believes that good corporate governance involves openness, honesty and cooperation between all parties involved in and with the group: the shareholders, the board of directors and executive management, employees, customers, suppliers, public authorities, and the society in general.

By pursuing the principles set out in the Corporate Governance Policy, the board of directors and management shall contribute to achieving the following objectives:

- Openness and honesty. Communication with the interest groups of Norske Skog shall be based on openness and honesty on issues relevant for the evaluation of the development and position of the company.
- Independence. The relationship between the board of directors, the management and the shareholders shall be based on independence. Independence shall ensure that decisions are made on an unbiased and neutral basis.
- Equal treatment. One of Norske Skog's primary objectives is equal treatment and equal rights for all shareholders.
- Control and management. Good control and corporate governance mechanisms shall contribute to predictability and reduce the level of risks for shareholders and other interest groups.

The development of, and improvements in, the company's Corporate Governance Policy are ongoing and important processes that the board of directors and management have continuous focus on.

Deviations from the Code: None.

2. Business

Norske Skog's business purpose is set out in the Articles of Association, article 2: "The company's objective is to conduct wood processing industry, investing activities and activities related to this, as well as providing headquarter services for the group, including raise of external loans and conducting group financing arrangements." The Articles of Association are available on the company's website, www.norskeskog.com/investors/articles-of-association. The business of the company is conducted in accordance with the targets, strategies and risk profile determined by the board of directors, within the scope of the company's business purpose, to realise value creation for the shareholders in a sustainable manner. The board of directors considers the targets, strategies, and risk profile of the company on a continuous basis.

The company has established guidelines and principles which are used to integrate considerations to human rights, decent working conditions, employee rights and social matters, the external environment and anti-corruption and other compliance efforts in its business strategies, its day-to-day operations and in relation to its stakeholders. This includes but is not limited to the Norske Skog Steering Guidelines and the Code of Conduct. Compliance with the Steering Guidelines and the Code of Conduct is mandatory for all employees in the group and others acting on the group's behalf, and similar conduct and ethical standards are expected from suppliers, customers, other business relations and in partnerships, joint ventures, and partially owned subsidiaries. The Steering Guidelines and the Code of Conduct can be found on the company's website, www.norskeskog.com/sustainability/governance/steering-guidelines.

Sustainability and corporate social responsibility are integrated parts of the group's business and are described in the sustainability report section of the annual report.

Deviations from the Code: None.

3. Equity and dividends

SHARE CAPITAL

The share capital of Norske Skog is set out in the Articles of Association, article 4. The company's share capital at year end 2024 was NOK 339 352 940, divided into 84 838 235 shares, each with a nominal value of NOK 4.00.

EQUITY

The board of directors is responsible for ensuring that the group is adequately capitalised relative to the risk and scope of operations and that the capital requirements set forth in laws and regulations are met. The company shall have an equity capital at a level appropriate to its objectives, strategy, and risk profile. The board of directors shall continuously monitor the group's capital situation and shall immediately take adequate steps if the company's equity or liquidity is less than adequate.

Norske Skog's consolidated total equity as at 31 December 2024 was NOK 5 384 million, which is equivalent to 37.2% of total assets (for Norske Skog ASA, the total equity was NOK 4 062 million, which is equivalent to 63.1% of total assets).

DIVIDEND POLICY

It follows from Norske Skog's Corporate Governance Policy that the company shall, always, have a clear and predictable dividend policy established by the board of directors. The dividend policy forms the basis for the board of directors' proposals on dividend payments to the company's general meeting.

The company's dividend policy has historically been to pay dividends reflecting the underlying earnings and cash flow while ensuring efficient capital allocation in the group. When deciding the dividend level, the board of directors will among other things take into consideration capital expenditure plans, financing requirements and maintaining the appropriate strategic flexibility of the group. The group's financing arrangements for the projects to convert newsprint production capacity to recycled containerboard production capacity include restrictions on dividend distribution in the period up to July 2025. The company's dividend policy has therefore been suspended until such restrictions do no longer apply. For financial years with particularly strong financial performance, however, the company may consider requesting consent from relevant financing providers to make dividend distributions.

CAPITAL INCREASES AND ISSUANCE OF SHARES

The general meeting in 2024 authorised the board of directors to increase the share capital one or several times with an aggregate amount of up to NOK 33 935 294, equivalent to 10% of the company's share capital. The authorisation may be used for general corporate purposes, including, but not limited to, financing of the company's strategic plans and in connection with acquisitions of companies or other businesses. The authorisation was granted for the period up to the annual general meeting in 2025. As of the date hereof, the authorisation has not been used.

The general meeting in 2024 furthermore authorised the board of directors to acquire own shares with a total nominal value of up to NOK 33 935 294, equivalent to 10% of the company's share capital. The authorisation may be used to optimise the company's capital structure. The authorisation was granted for the period up to the annual general meeting in 2025. As of the date hereof, the authorisation has not been used.

The Articles of Association do not include provisions regarding share capital increases, issuance of shares or purchase of own shares.

Deviations from the Code: None.

4. Equal treatment of shareholders

The company has only one class of shares. Each share in the company carries one vote, and all shares carry equal rights, including the right to participate in general meetings. All shareholders shall be treated on an equal basis unless there is just cause for treating them differently.

In the event of an increase in share capital through issuance of new shares, a decision to deviate from existing shareholders' pre-emptive rights to subscribe for shares shall be justified. Where the board of directors resolves to issue shares and deviate from the pre-emptive rights of existing shareholders pursuant to an authorisation granted to the board of directors by the general meeting, the justification will be publicly disclosed in a stock exchange announcement issued in connection with the share issuance.

Any transactions in treasury shares carried out by the company shall be carried out on the Oslo Børs, and in any case at the prevailing stock exchange price. If there is limited liquidity in the company's shares, the company will consider other ways to ensure equal treatment of shareholders. Any transaction in treasury shares by the company is subject to notification requirements and shall be publicly disclosed in a stock exchange announcement.

Deviations from the Code: None.

5. Shares and negotiability

The shares of the company are freely negotiable and there are no limitations on any party's ability to own or vote for shares in the company.

Deviations from the Code: None.

6. General meetings

The general meeting is the shareholders' forum and the supreme governing body of the company. The Articles of Association do not limit the shareholders' rights as provided by the Public Limited Liability Companies Act. The board of directors sets the agenda for the general meeting. The minutes from the general meeting are published externally and on the company's website, in accordance with applicable laws and deadlines.

The board of directors shall ensure that as many of the company's shareholders as possible are able to exercise their voting rights at the company's general meetings, and that the general meeting is an effective forum for shareholders and the board of directors, which shall be facilitated through the following:

- the resolutions and any supporting documentation shall be sufficiently detailed, comprehensive, and specific allowing shareholders to understand and form a view on all matters to be considered at the general meeting.
- deadlines for shareholders to give notice of their attendance at the general meeting shall be set as close to the date of the general meeting as practically possible.
- the board of directors and the chair of the nomination committee shall be present at general meetings, while other members of the nomination committee as well as the auditor shall be present at general meetings where matters of relevance for such committees/persons are on the agenda; and
- the board of directors shall ensure that the general meeting can elect an independent chair for the general meeting.

The shareholders shall be able to vote on each of the matters on the agenda and shall be able to vote separately on each candidate at elections. Shareholders who are unable to be present at the general meeting, or for other reasons so desire, shall be given the opportunity to vote electronically through VPS in advance of the general meeting, be represented by proxy and to vote by proxy. The company shall in this respect:

- provide information on the procedure for voting electronically in advance of the general meeting.
- provide information on the procedure for attending by proxy.
- nominate a person who will be available to vote on behalf of shareholders as their proxy; and
- prepare a proxy form, which shall, to the extent this is possible, be set up so that it is possible to vote on each of the items on the agenda and the candidates nominated for election.

Deviations from the Code: None.

7. Nomination committee

Pursuant to the Articles of Association, article 8, the company shall have a nomination committee consisting of between one and three members. The company's general meeting elects the members and the chair of the nomination committee and determines their remuneration. The majority of the members of the nomination committee shall be independent from the company's board of directors and executive management. The members of the nomination committee shall not be members of the board of directors or the executive management, and not offer themselves for election to the board of directors. The composition of the nomination committee should be such that the interests of shareholders in general are represented. The nomination committee currently consists of three members, Richard Heiberg, who serves as the chair of the committee, Gert Steens and Rune Smestad.

The general meeting shall approve the instructions for the nomination committee. These instructions set out the objectives, responsibilities, and functions of the nomination committee, and provide guidelines for rotation of its members. The company shall provide information regarding the composition of the nomination committee, the members of the nomination committee and any deadlines for submitting proposals to the nomination committee as part of its recommendations to the general meeting.

The nomination committee shall recommend candidates for the election of members and chair of the board of directors, candidates for the election of members and chair of the nomination committee, and remuneration of the members of the board of directors, its board committees, and the nomination committee.

The nomination committee shall have contact with shareholders, the board of directors on individual basis and the company's executive personnel as part of its work on proposing candidates for election to the board.

The nomination committee's recommendation of candidates to the nomination committee shall ensure that they represent a broad group of the company's shareholders. The nomination committee's recommendation of candidates to the board of directors shall ensure that the board of directors is composed to comply with legal requirements and principles of corporate governance. The nomination committee shall justify why it is proposing each candidate separately. The proposals from the nomination committee shall include a reasoning for its proposal, as well as a statement on how it has carried out its work. The nomination committee's proposal shall include information about the candidates and shall be made available at the latest in accordance with the 21 days' notice rule to call for a general meeting. Shareholders shall be given the opportunity to submit proposals to the nomination committee for candidates for election to the board of directors and other appointments in a simple and practical manner. Any date for when such proposals must be submitted to be considered by the nomination committee shall be communicated. The nomination committee of Norske Skog are, however, generally available to receive proposals for candidates or other input from shareholders at any time throughout the year.

Deviations from the Code: None.

8. The board of directors' composition and independence

According to the Articles of Association, the board of directors of Norske Skog shall have between three and eight board members, and board members are elected for a period of two years unless another term is determined by the general meeting. The current number of board members is five, and in addition there are two observers to the board of directors being union representatives from each of the two Norwegian mills. The composition of the board of directors should ensure that the board of directors has the expertise, capacity and diversity needed to achieve the company's goals, handle its main challenges, and promote the common interests of all shareholders. Each board member should have sufficient time available to devote to his or her appointment as a board member. The number of board members should be determined on this basis. Furthermore, individuals of the board of directors shall be willing and able to work as a team, resulting in the board of directors working effectively as a collegial body. Further requirements to the composition of the board of directors are set out in the instructions for the nomination committee, as further described in section 7 above. The company does not have separate guidelines for equality and diversity in the composition of the board of directors, management and control bodies and their sub-committees for the reason that adequate regulations are considered to be provided for in the Norwegian Public/Private Limited Liability Companies Act, the Norwegian Equality and Non-Discrimination Act and the principles promoted in the Norske Skog group on equality and diversity, as further described in the sustainability statement in the report of the board of directors.

The board of directors shall be composed so that it can act independently of any special interests. A majority of the shareholder-elected members of the board of directors shall be independent of the executive management and material business connections of the company. At least two of the members of the board of directors shall be independent of shareholders that owns or controls 10% or more of the company's shares or votes, meaning that there are no circumstances or relations that may be expected to be able to influence the independence of the board members' assessments.

The members of the board of directors and the chair of the board of directors shall be elected by the company's general meeting. No member of the company's executive management shall be a member of the board of directors. At least half of the members of the board of directors shall reside in Norway or another EEA country. Both genders shall be represented on the board of directors in compliance with the gender representation requirements set out in section 6-11a of the Norwegian Public Limited Liability Companies Act. The term of office for the board members shall not be longer than two years at a time. Members of the board of directors may be re-elected. The election of the members to the board of directors should be phased so that the entire board of directors is not replaced at the same time.

The following table summarises the roles of the members of the board of directors and meeting attendance at board meetings held in 2024:

Name (i)	Residence	Role	Committee memberships	Board meetings attended	Board member since	End of term
Arvid Grundekjøn	Oslo, Norway	Chair	Audit committee and remuneration committee	10/10	2018	2025
Trine-Marie Hagen	Oslo, Norway	Board member	Audit committee and remuneration committee	9/10	2019	2025
Christoffer Bull	Oslo, Norway	Board member	N/A	10/10	2023	2025
Tone Wille(iii)	Oslo, Norway	Board member	N/A	7/8	2024	2026
Terje Sagbakken(iv)	Gjøvik, Norway	Board member	N/A	8/8	2024	2026
Johanna Lindén(ii)	Gothenburg, Sweden	Board member	N/A	2/2	2022	2024

(i) *Please refer to the description in the board of directors' section of the annual report for further information on the expertise, experience and independence of the members of the board of directors, as well as the board members' respective shareholdings in the company. Comments have been provided in the following for board members who have not served in their roles for the whole of 2024.*
(ii) *Johanna Lindén served as a board member until the annual general meeting in 2024 and participated in 2 of 2 board meetings in 2024.*
(iii) *Tone Wille was elected as a board member by the annual general meeting in 2024 and participated in 7 of 8 board meetings in 2024.*
(iv) *Terje Sagbakken was elected as a board member by the annual general meeting in 2024 and participated in 8 of 8 board meetings in 2024.*

The board members have a statistic attendance at board meetings of close 100% as described in further detail in the schedule above.

Members of the board of directors are encouraged to own shares in the company. However, caution should be taken not to let this encourage a short-term approach, which is not in the best interests of the company and its shareholders in the longer term.

The nomination committee's proposal to the general meeting (as further described in item 7 above) shall include detailed information on candidates for the board of directors (both appointments and re-elections) and shall be made available at the latest in accordance with the 21 days' notice rule to call for a general meeting.

Deviations from the Code: None.

9. The work of the board of directors

The board of directors' main tasks comprise the overall responsibility for the management of the company and overseeing the daily administration and operations of the company. The work of the board of directors is carried out in accordance with the rules and standards applicable to the group, as described in the company's Corporate Governance Policy's instructions to the board of directors. The instructions to the board of directors include detailed description of duties and responsibilities of the board members, as well as working and meeting procedures. The Corporate Governance Policy's instructions to the board of directors and the instructions to the CEO include procedures for how the board of directors and executive management shall handle agreements with related parties, including whether an independent valuation must be obtained. Agreements with related parties are described in Note 31 Related parties in the consolidated financial statements.

The board of directors prepares an annual plan for its work, clearly setting out strategic, financial, operational, and organisational matters for discussion and resolution. In addition to addressing the matters on such plan, the board of directors continuously addresses matters and processes which require the board of directors' involvement from time to time. Throughout 2024 and into 2025, the board of directors has in addition to recurring matters concentrated a significant amount of time on the strategic development and projects of the group. Among the most important strategic projects of the group worked on by the board of directors during 2024 is the group's conversion of a newsprint paper machine to a recycled containerboard paper machine at the Norske Skog Golbey mill in France. In addition, the board of directors allocated significant time to optimise the financing structure of the group over the course of 2024, as well as the sales process for the regional holding company of the group in Australia. Furthermore, efforts and results within the areas of health, environment and safety are annually reported comprehensively to the board of directors, and the CEO reports on health, environment and safety, operations, and market developments in every board meeting. The board of directors actively manages the resources of the board of directors and its committees in accordance with the relative strategic and commercial importance of matters.

The board of directors has two sub-committees, an audit committee, as required by the Public Limited Liability Companies Act, and a remuneration committee. The members of the audit committee and the remuneration committee during 2024 were Arvid Grundekjøn (chair) and Trine-Marie Hagen. The company's Corporate Governance Policy includes a set of instructions for each of the committees, describing defined areas of responsibility. The committees undertake preparatory discussions and submit their recommendations to the board of directors.

The audit committee focused on the company's financial reporting and internal control function during 2024. The committee furthermore focussed on the group's first sustainability statement prepared in accordance with CSRD. The external auditor, CEO and CFO attend the meetings of the audit committee. The CEO attends the meetings of the remuneration committee, except if excused for discussions on the CEO's remuneration.

The following table summarises the meeting attendance of the board members at board and committee meetings held in 2024:

Name (i)	Committee memberships	Board meetings attended	Audit committee meetings attended	Remuneration committee meetings attended
Arvid Grundekjøn	Audit committee and remuneration committee	10/10	6/6	1/1
Trine-Marie Hagen	Audit committee and remuneration committee	9/10	6/6	1/1

(i) *Please refer to the description in the board of directors' section of the annual report for further information on the expertise, experience and independence of the members of the board of directors, as well as the board members' respective shareholdings in the company.*

The board members have a statistic attendance at committee meetings of 100%.

In 2024, the board of directors held ten meetings and one matter was resolved by written resolutions. The audit committee held six meetings in 2024. The remuneration committee held one meeting in 2024. The meetings of the board of directors and its committees are held as physical meetings, with the possibility to participate by video conference if board members are prevented from participating in person. Representation at meetings of the board of directors is nearly at 100% (see the schedule included under item 8 above for further details) and representation at committee meetings is at 100%.

The board of directors shall annually evaluate its performance and expertise for the previous year. This evaluation shall include the composition of the board of directors and the way its members functions, both individually and as a group, in relation to the objectives set out for its work. The report shall be made available to the nomination committee.

Deviations from the Code: None.

10. Risk management and internal control

The board of directors is responsible for ensuring that the company has sound and appropriate internal control systems and systems for risk management, and that these systems are proportionate to and reflect the extent and nature of the company's activities. Having effective internal control systems and systems for risk management in place are important to prevent the group from situations that can damage its reputation and financial standing. Furthermore, effective, and proper internal control and risk management are important factors when building and maintaining trust, to reach the company's objectives, and ultimately create value. Having in place an effective internal control system means that the company is better suited to manage commercial risk, operational risk, the risk of breaching legislation and regulations as well as other forms of risk that may be material to the company. As such, there is a correlation between the company's internal control systems and effective risk management. The internal control system shall also address the organisation and execution of the company's financial reporting, as well as cover the company's guidelines for how it integrates considerations related to stakeholders into its creation of value. Norske Skog shall comply with all laws and regulations that apply to the group's business activities.

Norske Skog's enterprise risk management processes are based on COSO's Enterprise Risk Management framework, and cover financial, operational, market and organisational risks. By this delineation of risk control, all sustainability and responsibility areas covered by Norske Skog's Steering Guidelines are also covered by its enterprise risk management processes and is reported to the board of directors. The system is based on the management teams in each business unit and in key corporate functions annually reporting potential risk factors to the company's risk management function, which in turn provide a basis for the agenda of the corporate management meetings and adequate follow-up measures. In addition, Norske Skog reports on sustainability in accordance with CSRD. The review of the sustainability statement is carried out by an independent and internationally recognised audit firm, currently PwC. Further information on sustainability is provided in the sustainability statement in the report of the board of directors

The internal control systems within the finance organisation primarily cover the financial reporting structure and processes. Routines for internal control over financial reporting are defined in Norske Skog's internal control documentation (Financial Reporting Manual, Financial Closing Manual and Financial Closing Checklist). Responsibilities are clearly defined in terms of execution, documentation, and control. As part of the continuous focus on compliance, regular reviews of business processes, investments or other issues are carried out. These compliance processes are carried out on the basis of risk assessments and support the business in improving internal control and achieving the set goals. The group also has a power of attorney structure which describes and regulates financial empowerment to individual positions.

In addition, Norske Skog has implemented internal routines to ensure continuous attention and efforts on maintaining high compliance standards throughout the group. These internal routines are set out in Norske Skog's Continuous Compliance Program and include a number of compliance related activities that shall be carried out over the course of a calendar year.

Norske Skog has clearly established channels and procedures for reporting and handling instances of possible serious misconduct (whistleblowing). Such channels are described on our website, intranet and in the Steering Guidelines. It is the opinion of the board of directors that Norske Skog's internal control and systems for risk management are adequate and proportionate to the nature and complexity of the company's operations and financial situation.

Deviations from the Code: None.

11. Remuneration of the board of directors

The remuneration of the board of directors is decided by the annual general meeting on the basis of the nomination committee's proposal. The committee considers the level of responsibility, complexity and time consumption, as well as the required expertise, for the board members. Proposals for annual adjustments of the remuneration of the board of directors are based on considerations to ensure that Norske Skog remains attractive and competitive on the market for governing bodies' competencies.

No board member has carried out specific tasks or commissions for the company in addition to the directorship, and Norske Skog has not paid other remuneration to any board member than the ordinary board remuneration.

Separate remuneration is set for the chair and members of the board of directors and respective committees under the board of directors. The current remuneration amounts are as follows:

1. The remuneration for the chair of the board is NOK 577 500 per year.
2. The remuneration for the other members of the board is NOK 325 500 per year.
3. The remuneration for the chair of the audit committee is NOK 130 000 per year.
4. The remuneration for other members of the audit committee is NOK 52 500 per year.
5. The remuneration for the chair of the remuneration committee is NOK 31 500 per year.
6. The remuneration for other members of the remuneration committee is NOK 21 000 per year.
7. Travel expenses in connection with board and committee meetings are paid in accordance with the Norwegian Government's Travel Allowance Regulation.

The total remuneration for the board of directors in 2024, including committee work, was NOK 2 002 000. For further information, please refer to the report on salary and other remuneration to leading personnel, which is available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

Deviations from the Code: None.

12. Remuneration of executive personnel

The board of directors has adopted guidelines for determining salary and other remuneration to leading personnel in accordance with Section 6-16 a of the Public Limited Liability Companies Act and the Regulation on guidelines and reporting on remuneration for leading personnel. In the preparation of the guidelines and in any subsequent amendments to these, the focus of the board of directors is to provide for that the guidelines are clear and easily understandable, and that they contribute to the company's commercial strategy, long-term interests and financial viability. Furthermore, the company's arrangements in respect of salary and other remuneration shall be simple and contribute to aligning the interests of leading personnel and shareholders, with an absolute limit on performance-related remuneration. The guidelines are presented for approval by the general meeting if significant changes are made, and at least every fourth year. The current version of the guidelines was approved by annual general meeting in 2021 and are available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

The CEO's remuneration terms are reviewed and decided annually by the board of directors following preparatory discussions in the board of directors' remuneration committee. The remuneration consists of base salary, annual performance bonus, pension, and other benefits. The decision on the CEO's remuneration takes into consideration the overall performance of the CEO and the company, and the market development for CEO remuneration in companies of similar complexity, size and industries. The remuneration of other leading personnel is determined by the CEO, and the performance related remuneration consist of the same elements as for the CEO.

Performance based elements are calculated on the basis of quantifiable objective targets as well as on quantifiable targets falling within areas over which the respective executives have a reasonable influence.

In addition, Norske Skog has established a long-term incentive program based on synthetic stock options. The program mirrors the financial outcome of an actual stock option with an initial "exercise price" (which corresponds to the price per share set at the time of award of the options) and a mechanic to fix a "fair market value" in the future when the options are exercised (3-5 years following award of the options). The long-term incentive program is described in the guidelines for determining salary and other remuneration to leading personnel, which are available on the company's website, www.norskeskog.com/sustainability/governance/remuneration-of-leading-personnel.

The board of directors shall for each financial year provide for the preparation of a report on salary and other remuneration to leading personnel in accordance with Section 6-16 b of the Public Limited Liability Companies Act and the Regulation on guidelines and reporting on remuneration for leading personnel. The report is subject to an advisory vote by the annual general meeting and is published on the company's website, www.norskeskog.com, following the annual general meeting. In addition, information about remuneration of leading personnel is available in the financial statements, in Note 10 Employee benefit expenses in the consolidated financial statements.

Deviations from the Code: None.

13. Information and communications

The company has established guidelines for its reporting of financial and other information based on openness and taking into account the requirement of equal treatment in the securities market. These guidelines are set out in the company's Communication Policy and the Investor Relations Policy.

The company provides, timely and on a continuous basis, precise information about the company and its operations to its shareholders, the Oslo Børs and the securities market and the financial market in general. Such information is published through the Oslo Børs' information system and the company's website. Information is typically given in the form of annual reports, half-year reports, quarterly reports, press releases, stock exchange notices and through published investor presentations in accordance with what is deemed appropriate and required at any given time. Financial reporting follows International Financial Reporting Standards, and through open and proactive communication with investors and financial markets, including through regular presentations, Norske Skog ensures transparency and equality to facilitate our stakeholders' assessment of the company. The company furthermore regularly provides information on its long-term potential, including strategies, value drivers and risk factors. Information to Norske Skog's investors will also be published simultaneously through the Oslo Børs' information system and/or the company's website.

The company publishes an annual, electronic financial calendar with an overview of dates for important events, such as the annual general meeting, interim financial reports, public presentations, and payment of dividends, if applicable. The information is made available in English and Norwegian.

Unless there are applicable exemptions that is appropriate to utilise in the specific situation, Norske Skog promptly discloses all inside information (as defined in article 7 of the EU Market Abuse Regulation). In addition, Norske Skog provides information about certain events, e.g. by the board of directors and the general meeting concerning dividends, mergers/demergers or changes to the share capital, the issuing of subscription rights, convertible loans and all agreements of major importance that are entered into by Norske Skog and related parties.

Separate guidelines have been implemented regarding handling of inside information, and these follow from the instructions for handling of inside information and the instructions for primary insiders. The rules of procedure for the board of directors set out who in the board of directors that are entitled to publicly speak on behalf of the company, and the Communication Policy defines the responsibility of communications on behalf of the company in various matters.

Deviations from the Code: None.

14. Take-overs

The board of directors has established clear principles in the Corporate Governance Policy for how it will act in the event of a take-over bid, including that it will act in accordance with the Code and Norwegian law. The principles emphasise the importance of equal treatment of existing shareholders. They further warrant that the board of directors will ensure sufficient information in time and content for the shareholders to assess a possible bid, including issuing a statement to the shareholders with the board of directors' assessment of such bid, together with a valuation prepared by an independent expert. A sale of a significant part of the company will require approval by the general meeting. The board of directors will not without decision by the general meeting attempt to hinder a take-over bid for the company.

Deviations from the Code: None.

15. Auditor

The auditor presents an annual audit plan, describing the auditor's understanding of the industry and significant risks, as well as the audit approach to be applied. The auditor participates in audit committee meetings when discussing the financial statements and other audit related matters. The auditor furthermore attends board meetings at which the annual financial statements are on the agenda and as otherwise requested. At such meetings, the auditor is requested to report on any material changes in the company's accounting principles and key aspects of the audit, comment on any material estimated accounting figures and report all material matters on which there has been disagreement between the auditor and the executive management of the company. The auditor annually confirms its independence in writing. During 2024 and 2025, the auditor has participated in discussions with the audit committee. Furthermore, the auditor has met with the board of directors without the corporate management being present and reviewed the company's internal control procedures. The company has effective guidelines for the ability of the auditor to perform non-audit services for the company upon approval by the audit committee. The company informs the general meeting about the auditor's fees for audit and non-audit services.

The board of directors regularly assesses the quality and efficiency of the work of the auditor.

Deviations from the Code: None.

The UN Sustainable Development Goals are an integral part of our strategy

The UN Sustainable Development Goals (SDGs), adopted by world leaders in September 2015, are a call for action for all countries and businesses to promote prosperity while protecting the planet. Norske Skog supports all 17 SDGs but realise that some are more relevant to our business than others. We believe that we can make the greatest difference and contribute positively through the prioritised SDGs highlighted in the illustration. Norske Skog has in 2023 added one more prioritised SDG, which is number 6 regarding clean water and sanitation, in addition to the already five prioritised SDGs in 2022. Higher public awareness concerning clean water and despite effective wastewater treatment plants, Norske Skog will face severe public attention in occurrences of unwanted discharges or breach of wastewater emission permits. We have summarized what the prioritised SDGs mean to us in one sentence:

Norske Skog shall create value for people and society in a responsible way, while promoting a sustainable environment and principles of circular economy.

The 17 Sustainable Development Goals (SDGs) are important for Norske Skog's business operations for several key reasons:

- Alignment with global priorities: The SDGs represent a universal call to action to end poverty, protect the planet, and ensure prosperity for all. By aligning with the SDGs, Norske Skog demonstrates commitment to addressing pressing global challenges and contributing to sustainable development.
- Risk management: The SDGs highlight critical sustainability issues, including climate change, social inequality, and environmental degradation. By integrating the SDGs into our operations, our business units can identify and mitigate risks associated with these challenges, safeguarding their long-term viability and resilience.
- Enhanced reputation and brand value: Embracing the SDGs may enhance our reputation and brand value by demonstrating our commitment to social and environmental responsibility. Contributing actively to achieving the SDGs may attract socially conscious consumers, investors, and partners, gaining a competitive advantage in the marketplace.
- Innovation and market opportunities: The SDGs present significant opportunities for innovation and market growth. Our ability to develop sustainable products, services, and business models aligned with the SDGs may drive customer loyalty and capture new revenue streams.
- Regulatory compliance and license to operate: Governments, regulatory bodies, and international organisations increasingly incorporate the SDGs into policy frameworks and reporting requirements. By integrating the SDGs into our operations, we ensure compliance with relevant regulations, maintain their social license to operate, and avoid reputational and legal risks.
- Access to capital and investment: Investors are increasingly considering environmental, social, and governance (ESG) factors when making investment decisions. Aligning with the SDGs may attract sustainable investment capital, access financing at favourable terms, and enhance their appeal to socially responsible investors.
- Supply chain resilience: Integrating the SDGs into supply chain management practices enhance resilience, traceability, and transparency throughout the value chain. Our business units may work with suppliers to promote ethical sourcing, reduce environmental impact, and ensure social responsibility, mitigating risks associated with supply chain disruptions and reputational damage.
- Employee engagement and talent attraction: We believe that embracing the SDGs will foster employee engagement, satisfaction, and retention by providing meaningful opportunities for employees to contribute to positive social and environmental impact. Business units that prioritise sustainability and social responsibility may also attract top talent aligned with our values and mission.

The SDGs provide a comprehensive framework for our operations to address sustainability challenges, manage risks, seize opportunities, and create long-term value for stakeholders, society, and the planet. By integrating the SDGs into our business strategy, we believe it will positively impact our operations, foster innovation, and contribute to a more sustainable and prosperous future for all.

Norske Skog business units have during the last 50 years been seeking best environmental practice, and the reported figures show great progress in the same period. The group has achieved significant results in collaboration with stakeholders, national authorities, and employee initiatives. Norske Skog has been nationally recognised for its labour practices and excellent work environment. Norske Skog's health and safety performance is outstanding compared to the industry average for decades as result of tenaciously efforts.

Our operations must be based on sustainable sourcing by using certified wood and chips documented through the Chain of Custody certifications and use of recycled paper. Improved margins and reduced environmental impacts from the value chain and the mills are achieved through effective resource and energy management. We monitor activities to achieve sustainable products and processes throughout the entire value chain.

In addition, Norske Skog continuously strives to maintain our status as the most attractive industry partner for suppliers and customers. The corporate strategy consists of three elements and gives us a well-defined foundation for our work related to the prioritised SDGs:

- Improve and optimise publication paper cash flows
- Become a leading and independent European producer of renewable packaging paper
- Integrate vertically within the entire value chain

To make the SDG targets relevant for the board, management and the rest of the group, the intention was to align and integrate the 6 prioritised sustainable development goals to the resolved strategic goals already effectuated by the board of directors.

The following six sustainable development goals that were selected to be most relevant to the existing strategy:

SDG 3: Good health and wellbeing (no change)
SDG 4: Quality education (no change)
SDG 6: Clean water and sanitation (new)
SDG 9: Industry, innovation and infrastructure (no change)
SDG 12: Responsible consumption and production (no change)
SDG 13: Climate action (no change)

THE REASON AND ANALYSIS BEHIND THE SELECTION ARE:

SDG	Justification to prioritise the SDG	
SDG 3	Good health and wellbeing	Good health and wellbeing is not only a moral imperative but also a strategic decision that can benefit Norske Skog, its stakeholders, and society as a whole. By investing in health and wellbeing initiatives, the company can create positive impacts that extend beyond its operations and contribute to a healthier, more sustainable future.
SDG 4	Quality education	Investing in quality education enables Norske Skog to develop a skilled and knowledgeable workforce. By providing employees with access to education and training programs, the company can enhance productivity, innovation, and overall performance. By supporting educational initiatives, such as scholarships, vocational training, or school infrastructure improvements, the company can help improve access to quality education for children, youth, and adults in these communities. Quality education plays a critical role in succession planning and ensuring the long-term viability of Norske Skog's business. By investing in employee training and development, the company can cultivate a pipeline of talent and leadership capabilities to support future growth and continuity.
SDG 6	Water and clean sanitation	Improve water quality by reducing pollution, minimising hazardous chemical release, and adopting sustainable water management practices, is crucial for Norske Skog to promote environmental stewardship, comply with regulations, protect public health, ensure sustainable operations, mitigate risks, and meet stakeholder expectations.
SDG 9	Industry, innovation and infrastructure	Industry, innovation, and infrastructure aligns with Norske Skog's commitment to sustainability, competitiveness, and long-term business success. By investing in innovation and infrastructure, the company can drive positive social, economic, and environmental impacts while positioning itself for future growth and resilience in a rapidly changing world.
SDG 12	Responsible consumption and production	Norske Skog works proactive to implement measures to improve production efficiency, optimise raw material usage, and reduce energy consumption, leading to cost savings and enhanced competitiveness. Norske Skog adopts circular business models, such as recycling paper, process residues, reusing by-products, and exploring alternative materials, contributing to a more sustainable and resilient economy. Responsible consumption and production align with Norske Skog's sustainability objectives, business values, and long-term viability. By adopting responsible practices, the company can drive positive environmental and social impacts while maintaining competitiveness and fostering stakeholder trust and loyalty.
SDG 13	Climate action	Climate action is essential for Norske Skog to mitigate climate risks, reduce emissions, transition to renewable energy, promote sustainable forestry practices, adapt to climate impacts, and meet stakeholder expectations, thereby contributing to global efforts to address climate change and build a more sustainable future.

In the appendix, there is a matrix summarising our ambitions, targets and planned activities.

THESE 6 SDGS ARE AN INTEGRAL PART OF OUR BUSINESS STRATEGY:

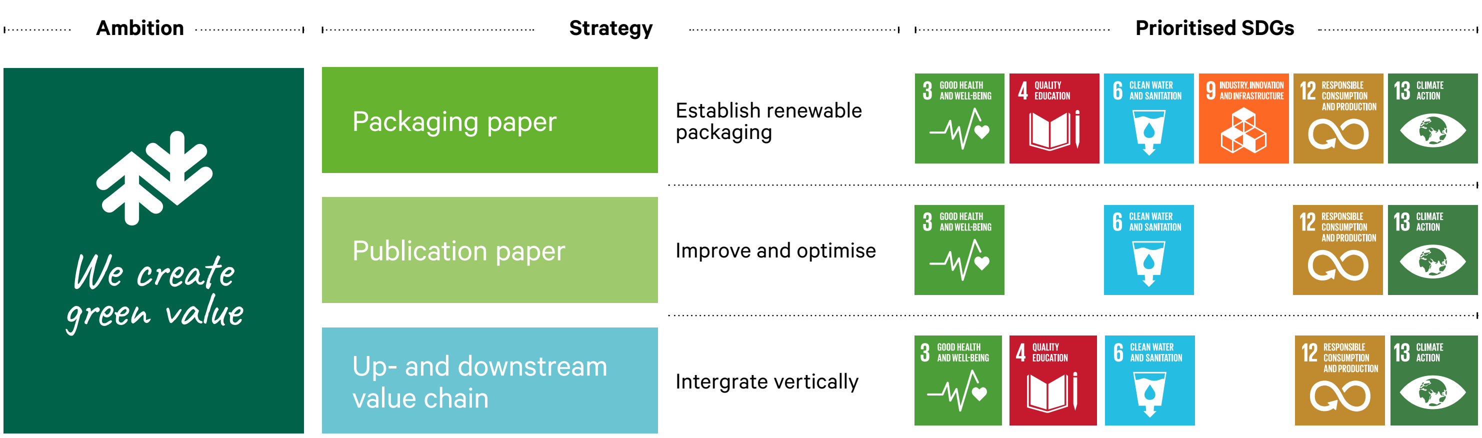


Photo: Carsten Dybevig

SKØYEN, 18 MARCH 2025
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA

Arvid Grundekjøn Chair	Trine-Marie Hagen Board member	Terje Sagbakken Board member
Christoffer Bull Board member	Tone Wille Board member	Geir Drangsland CEO

Norske Skog Bruck, packaging paper machine
Photo: Carsten Dybevig

Consolidated financial statements

Consolidated financial statements

Notes to the consolidated financial statements

CONSOLIDATED INCOME STATEMENT

NOK MILLION	NOTE	2024	RESTATED 2023
Operating revenue	7	9 233	9 891
Other operating income	8	939	1 666
Total operating income		**10 173**	**11 557**
Distribution costs		-1 005	-845
Cost of materials	9	-5 927	-5 863
Employee benefit expenses	10	-1 702	-1 768
Other operating expenses	11	-803	-1 019
Restructuring expenses	28	-16	-32
Depreciation	17, 18	-481	-464
Impairments	18	-121	-27
Derivatives and other fair value adjustments	12	-178	-605
Total operating expenses		**-10 232**	**-10 623**
Operating earnings	6	**-60**	**934**
Share of profit in associated companies and joint ventures	13	-65	-15
Financial income	14	84	93
Financial expense	14	-351	-297
Gains/(losses) on foreign currency	14	-175	-71
Profit/(loss) before income taxes		**-566**	**645**
Income taxes	15	-94	-110
Profit/(loss) after taxes		**-661**	**535**
Profit/(loss) from discontinued operations	26	**-321**	**-54**
Profit/(loss) for the period		**-982**	**481**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	NOTE	2024	RESTATED 2023
Profit/(loss) after taxes		**-661**	**535**
Profit/(loss) from discontinued operations	26	**-321**	**-54**
Items that may be reclassified subsequently to profit or loss			
Currency translation differences		260	305
Reclassified translation differences upon divestment of foreign operations		0	1
Total		**260**	**306**
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post employment benefit obligations		-14	-8
Tax effect on remeasurements of post employment benefit obligations		1	1
Total		**-13**	**-6**
Other comprehensive income continuing operations		248	300
Other comprehensive income discontinued operations	26	-43	-57
Total other comprehensive income		**205**	**243**
Total comprehensive income		**-777**	**724**
Earnings per share from continuing operations			
Basic earnings per share (NOK)	16	-7.79	6.31
Diluted earnings per share (NOK)	16	-7.79	6.31
Earnings per share			
Basic earnings per share (NOK)	16	-11.57	5.67
Diluted earnings per share (NOK)	16	-11.57	5.67

CONSOLIDATED BALANCE SHEET

NOK MILLION	NOTE	31.12.2024	31.12.2023
Assets			
Deferred tax assets	15	111	206
Intangible assets	17	11	12
Property, plant and equipment	6, 18, 19	9 723	8 567
Investment in associated companies	13	15	80
Other non-current assets	23, 27	177	203
Total non-current assets		**10 037**	**9 068**
Inventories	6, 24	1 390	1 360
Trade and other receivables	6, 23	1 253	1 635
Other current assets	23	29	229
Cash and cash equivalents	5, 25	1 127	2 463
Total current assets excluding assets classified as held for sale		**3 800**	**5 687**
Assets held for sale	26	631	0
Total current assets		**4 430**	**5 687**
Total assets		**14 467**	**14 755**
Equity and liabilities			
Paid-in equity		8 860	8 860
Other equity		-3 476	-2 700
Total equity		**5 384**	**6 161**
Employee benefit obligations	27	296	294
Deferred tax liability	15	207	202
Interest-bearing non-current liabilities	29	4 475	4 536
Other non-current liabilities	28, 30	525	647
Total non-current liabilities		**5 503**	**5 680**
Trade and other payables	30	2 118	2 256
Tax payable	15	11	11
Interest-bearing current liabilities	29	771	517
Other current liabilities	27, 28, 30	218	130
Total current liabilities excluding assets classified as held for sale		**3 118**	**2 914**
Liabilities relating to assets classified as held for sale	26	462	0
Total current liabilities		**3 580**	**2 914**
Total liabilities		**9 083**	**8 594**
Total equity and liabilities		**14 467**	**14 755**

SKØYEN, 18 MARCH 2025
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA

Arvid Grundekjøn
Chair

Trine-Marie Hagen
Board member

Terje Sagbakken
Board member

Christoffer Bull
Board member

Tone Wille
Board member

Geir Drangsland
CEO

CONSOLIDATED STATEMENT OF CASH FLOWS

NOK MILLION	NOTE	2024	2023
Cash generated from operations	6	11 740	13 819
Cash used in operations		-11 540	-11 156
Cash flow from currency hedges and financial items		-69	-25
Interest payments received	14	83	98
Interest payments made	14	-230	-211
Taxes paid	15	1	-598
Net cash flow from operating activities [1]	6	**-15**	**1 928**
Purchases of property, plant and equipment and intangible assets	6, 17, 18	-1 558	-3 084
Sales of property, plant and equipment and intangible assets	18	3	69
Proceeds from property damage insurance	8	448	122
Dividend received	13	0	205
Sales of shares in companies and other financial instruments		-91	0
Net cash flow from investing activities		**-1 198**	**-2 689**
New loans raised	29	1 981	1 366
Repayments of loans	29	-2 086	-346
Dividends paid	16	0	-57
Purchase of treasury shares		0	-415
Net cash flow from financing activities		**-105**	**549**
Foreign currency effects on cash and cash equivalents		32	25
Total change in cash and cash equivalents		**-1 286**	**-187**
Cash and cash equivalents at start of period		2 463	2 650
Cash and cash equivalents		1 127	2 463
Cash and cash equivalents included in assets held for sale	26	50	0
Cash and cash equivalents at end of period	25	**1 177**	**2 463**
[1] Reconciliation of net cash flow from operating activities			
Profit/(loss) before income taxes from continuing operations		-566	645
Profit/(loss) before income taxes from discontinued operations	26	-321	-54
Change in working capital		-37	599
Change in restructuring provisions	28	-15	-16
Depreciation and impairments	18	815	602
Derivatives and other fair value adjustments	12	171	605
Gain and losses from divestment of business activities and property, plant and equipment		43	-57
Income from insurance compensation	8	-448	-122
Net financial items without cash effect		307	168
Taxes paid	15	1	-598
Change in pension obligations and other employee benefits		-35	-19
Adjustment for other items		70	175
Net cash flow from operating activities		**-15**	**1 928**

CONSOLIDATED STATEMENT OF CHANGES IN GROUP EQUITY

NOK MILLION	PAID-IN-EQUITY[1)]	OTHER PAID-IN EQUITY[2)]	TOTAL PAID-IN EQUITY	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2023	**6 649**	**2 249**	**8 898**	**-2 989**	**5 909**
Treasury shares [3)]	-38	0	-38	-377	-415
Profit/(loss) after tax	0	0	0	481	481
Other comprehensive income	0	0	0	243	243
Dividends paid	0	0	0	-57	-57
Equity 31 December 2023	**6 611**	**2 249**	**8 860**	**-2 700**	**6 161**
Profit/(loss) after tax	0	0	0	-982	-982
Other comprehensive income	0	0	0	205	205
Equity 31 December 2024	**6 611**	**2 249**	**8 860**	**-3 476**	**5 384**

[1)] Paid-in equity consist of share capital NOK 339 million (84 838 235 shares with a nominal value of NOK 4.00) and share premium of NOK 6 272 million.
[2)] Other paid-in equity arises from a de-recognition of debt in 2018.
[3)] Following the share repurchase programme in 2023, in which Norske Skog ASA purchased 9 426 470 of its own shares, the shares were cancelled by capital reduction in 2024.

Norske Skog Bruck, packaging paper machine
Photo: Carsten Dybevig

Notes to the consolidated financial statements

1. General information

Norske Skog ASA ("the company") and its subsidiaries ("the group") is a producer of packaging paper and publication paper across four mills in Europe. Packaging paper includes testliner and fluting and publication paper includes newsprint and magazine paper. The annual production capacity of packaging paper will be 0.8 million tonnes when fully ramped up during 2026-2027 and the annual publication paper production capacity is 1.3 million tonnes. Packaging paper and publication paper are sold through sales offices and agents. In addition to the traditional publication paper business and the new packaging paper business.

The group had 1 771 employees at 31 December 2024 and the parent company, Norske Skog ASA, is a public limited liability company incorporated in Norway and has its head office at Skøyen, and business address at Sjølyst plass 2, 0278 Oslo. The company is listed on Oslo Stock Exchange with the ticker NSKOG.

2. Basis of preparation

The consolidated financial statements comprise the financial statements of Norske Skog ASA and its subsidiaries as at 31 December 2024. The consolidated financial statements are prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards) as adopted by the European Union (EU). The consolidated financial statements are presented in English only. All amounts are presented in NOK million unless otherwise stated. There may be some small differences in the summation of columns and rows due to rounding. The corresponding amounts for prior year are in parenthesis. The consolidated financial statements were authorised for issue by the board of directors in Norske Skog ASA on 18 March 2025.

The consolidated financial statements have been prepared based on historical cost in all areas where there is no requirement to use fair value, as modified by, available-for-sale financial assets and financial assets at fair value through profit or loss. The policies have been consistently applied to all periods presented, unless otherwise stated. They have been prepared under the assumption of going concern.

PRESENTATION OF ACCOUNTING POLICIES
The presentation of accounting policies are presented as part of the note they are relevant for.

DISCONTINUED OPERATIONS
During 2024, Norske Skog initiated a concrete sales process for its remaining operations in Australasia. Sale is expected to be completed in 2025. Norske Skog Industries Australia Ltd with subsidiaries represented the segment publication paper Australasia. On 31 December 2024, publication paper Australasia was classified as a disposal group held for sale and as a discontinued operation. With publication paper Australasia being classified as discontinued operations, the segment is no longer presented in the segment note. See also Note 26 for further information.

BASIS OF CONSOLIDATION
All subsidiaries, see Note 20, are wholly-owned subsidiaries.

FOREIGN CURRENCY TRANSLATION
a) Functional and presentational currency
The financial statements of each of the group's entities are prepared using the local currency of the economic location in which the entity operates (the "functional currency"). The consolidated financial statements are presented in NOK, which is both the functional and presentational currency of the parent company.

The table below shows the average monthly foreign exchange rates applied in the income statement and the closing exchange rates applied in the balance sheet for the most important currencies for the group.

	INCOME STATEMENT		BALANCE SHEET	
	2024	2023	31.12.2024	31.12.2023
AUD	7.09	7.02	7.03	6.91
EUR	11.62	11.42	11.80	11.24
GBP	13.74	13.14	14.22	12.93
USD	10.75	10.56	11.35	10.17

b) Transactions and balances
Foreign currency transactions are translated into the entity's functional currency using the exchange rate prevailing on the date of the transaction. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the income statement.

Exchange differences arising from the settlement of trade receivables/payables and unrealised gains/losses on the same positions are recognised in operating revenue/cost of materials respectively. Exchange differences arising from the settlement of other items are recognised within financial income/financial expenses.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within financial income/financial expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

c) Group companies
The results and financial position of all group entities which have a functional currency different from the presentational currency are translated into the presentational currency as follows:
i. Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
ii. Income and expenses for each income statement are translated at average exchange rates on monthly basis,
iii. All resulting exchange differences are booked to comprehensive income

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are booked as part of comprehensive income. When a foreign operation is derecognized, such exchange differences are booked out of comprehensive income and recognised in the income statement line other operating income.

NEW AND AMENDED INTERPRETATION AND STANDARDS ADOPTED BY THE GROUP
a) New standards effective from 1 January 2024
Changes in standards and interpretations during 2024 has not had any material impact on Norske Skog's financial reporting.

b) New standards, interpretations and amendments not yet effective
There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the group has decided not to adopt early.

The group does not expect the standards issued, but not yet effective, to have a material impact on the group's financial reporting.

3. Important accounting estimates and assumptions

The preparation of consolidated financial statements in conformity with IFRS requires the use of accounting estimates and assumptions for the future. It also requires management to exercise its judgment in the process of applying the group's accounting policies. Estimates and assumptions, which represent a significant risk of a material adjustment in the carrying amount of assets and liabilities during the coming financial year, are discussed below.

a) Accounting treatment of physical energy contracts and other financial instruments
Norske Skog's portfolio of energy contracts consists mainly of physical energy contracts of which some contain embedded derivatives. The fair value of embedded derivatives in physical contracts is influenced by price index fluctuations.

Norske Skog has energy contracts in Norway that does not fulfil the criteria for use of the "own use exemption". Therefore, the contracts in whole are treated as financial derivatives in the scope of IFRS 9 and measured at fair value through profit or loss. The fair value of the contracts will vary dependent on the market price for energy in Norway.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The group uses its judgment to select methods and make assumptions that are mainly based on market conditions existing at each balance sheet date. See Note 12 and Note 21 for further information.

b) Recoverable amount of intangible assets and property, plant and equipment (PPE)
The group performs impairment tests to assess whether there has been a decline in the value of intangible assets and PPE if there are impairment indicators present. These are written down to their recoverable amount when the recoverable amount is lower than the carrying value of the asset. The recoverable amount from assets or cash-generating units is determined by calculating the higher of fair value less costs to sell and value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Calculation of value in use requires use of estimates. See Note 18 for further information. The group conducts annual reviews of the remaining economic life of PPE. An increase or decrease in the remaining economic life will have an impact on future depreciation, as well as affect the cash flow period for calculating value in use.

c) Deferred tax assets and liabilities
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised. For entities with a history of recent tax losses, stronger evidence for utilisation is required when assessing whether these assets should be recognized. See Note 15 for further information.

d) Pension liabilities and other non-current employee benefit obligations
Several actuarial and economic assumptions are used in calculation of fair value of pension liabilities. Changes in assumption used in the calculation impact the estimated pension obligation. The assumptions are determined locally for each individual pension plan and is normally reviewed annually. See Note 27 for further information.

4. Consideration of climate risk for the financial statements

In preparing the financial statements, the board of directors have assessed and considered the impact of climate change, particularly in the context of the risks and opportunities identified in the Double Materiality Assessment in line with the new EUDR requirements. The time horizons applied for the overall assessment of risks and opportunities for the group is short term (< 1 year), medium term (1-5 years) and long-term (> 5 years).

Norske Skog business units have during the last 50 years been seeking best environmental practice and has one of the lowest emission levels compared to industry averages.

The transformation to a larger, more diversified product portfolio with new products will reduce the dependency on publication paper and thus reduce the business and market risk. The current packaging production at Norske Skog Bruck is based on renewable resources and the coming packaging production at Norske Skog Golbey will also be based on renewable resources.

Production of publication and packaging paper resource intensive and requires significant quantities of energy. The production process in general has limited direct emission of fossil CO_2. The goal is to continue to reduce energy consumption in production, eliminate the use of fossil energy sources and to optimise the use of process chemicals and transport. Our operations are impacted by unstable energy markets and increasing carbon prices. Norske Skog has included a reduction of greenhouse gas emissions from fossil energy sources as a key part of our business strategy.

We have identified the following climate-related risks as the most significant:
- **Regulatory:** Norske Skog is subject to several regulatory requirements relating to energy and emissions including the EU Emissions Trading

Scheme (ETS), which include both CO2 compensation schemes, and CO2 allowances. Due to the financial impact any changes in such regulations may have on our business we monitor associated risks closely.

- **Physical:** The availability of sustainable and affordable biomass to produce publication paper in Norway and Austria may be affected by longer-term shifts in climate patterns in the future. Some of our mills are in areas where drought/access to water and/or flooding might become a risk in the future with a changing climate.
- **Market:** Shifting consumer preferences and trends may impact demand for Norske Skog products made from biomass. This can impact market development for publication paper, recycled containerboard, and related capacity adjustments in the industry.
- **Reputational:** Compliance with environmental regulations and standards is crucial for avoiding fines, legal fees, and reputational damage. Norske Skog's ability to manage regulatory risks may affect its financial stability and long-term viability.

The financial statements may be impacted by climate related risk in the future but are not considered to be key areas of judgement or sources of estimation uncertainty in the current financial year. The effects may be related to:

- CO2 compensation and CO2 allowances may be cut back and increase our cost of production. This may affect the value of our main assets in Europe if the increase in cost cannot be recovered in the prices of our products. Implementation of the EU Carbon Border Adjustment Mechanism (CBAM) coming into effect may, if effective, increase the probability of recovery of any increased cost of carbon emissions.
- Impairment of our property, plant and equipment due to a change in the profitability from cost increases for carbon emissions and price of energy or due to shortened useful life due to physical risks that reduce the appetite for reinvestment, thereby reducing the time horizon for certain plants. See also Note 9 and 18.

Whilst there is currently no short-term impact expected from changes in climate, the board of directors are aware of the risk changes in climate could pose to the operations and the judgement and estimates made in preparation of the financial statements.

5. Financial risk

FINANCIAL RISK MANAGEMENT

The main risk exposures for the group are linked to uncertainty to price and volume developments for publication and packaging paper and the costs of key input factors such as energy and fibre. Weaker demand than expected for the group's products can affect profitability and associated cash flows in a negative way. The group operates in a multicurrency environment, where the main currencies of importance for the business are EUR, GBP and USD. Currency movements between these currencies, as well as against NOK, may influence demand as well as product prices and costs of key input factors. Liquidity is ensured by maintaining sufficient cash balances and credit lines linked to trade receivables facilities. Norske Skog continuously assess the most competitive funding sources for the group.

Uncertainty about future changes in the broader economic climate development and more adverse developments than expected may influence all of the above and future results. The factors are an inherent uncertainty when the board makes its assessments.

The group has one cash pool for the European entities and the cash pool is legally placed in Norske Skog ASA.

FINANCIAL RISK FACTORS

The group is exposed to various financial risk factors through the group's operating activities, including market risk (interest rate risk, currency risk and commodity risk), liquidity risk and credit risk. The group seeks to minimise losses and volatility on the group's earnings caused by adverse market movements. Moreover, the group monitors and manages financial risk based on internal policies and standards set forth by corporate management and approved by the board of directors. These written policies provide principles for the overall risk management as well as standards for managing currency risk, interest rate risk, credit risk, liquidity risk and the use of financial derivatives and non-derivative financial instruments.

MARKET RISK

a) Interest rate risk

Interest rate risk is related to the financial risk related to changes in market interest rates. Interest rate risk management is carried out to secure the lowest possible interest rate payments over time within acceptable risk limits. This includes having a portfolio of loans in the group with both floating interest and fixed interest rates. The group may also use derivatives to manage the interest rate risk in the group.

	31.12.2024			31.12.2023		
INTEREST-BEARING ASSETS AND LIABILITIES	FLOATING	FIXED	TOTAL	FLOATING	FIXED	TOTAL
Interest-bearing liabilities	4 521	725	5 246	4 277	776	5 053
Interest-bearing assets	-1 127	0	-1 127	-2 463	0	-2 463
Net exposure	**3 394**	**725**	**4 119**	**1 814**	**776**	**2 590**

All amounts presented in the table are notional amounts. Total interest-bearing liabilities will therefore differ from booked amounts due to bond discounts/premiums. Floating rate exposure is calculated without accounting for potential future refinancing.

Interest rate sensitivity analysis

In accordance with IFRS 7 Financial instruments - disclosures, an interest rate sensitivity analysis is presented showing the effects of changes in market interest rates on interest costs and interest income, as well as equity where applicable. The analysis is based on the following assumptions:

Floating rate debt is exposed to changes in market interest rates, i.e. the interest costs or interest income associated with such instruments will fluctuate based on changes in market rates. The impact of changes is presented in the sensitivity analysis. The analysis assumes that all other factors are kept constant.

Changes in market rates on fixed rate debt will only affect the income statement if they are measured at fair value. Thus, fixed rate instruments recognised at amortised cost will not represent an interest rate risk as defined by IFRS 7. Such instruments will therefore not have any impact on the sensitivity analysis.

Results are presented net of tax, using the Norwegian statutory tax rate of 22%.

The interest rate sensitivity analysis is based on a parallel shift in the yield curve for each relevant currency to which Norske Skog is exposed.

INTEREST RATE	PROFIT/(LOSS) AFTER TAX 2024	2023
50 basis point downward parallel shift in the yield curve	16	10
50 basis point upward parallel shift in the yield curve	-16	-10

With a 50-basis point upward change in interest rate the annual interest payments will increase with NOK 16 million (NOK 19 million). The upward change will have a positive change in the value of derivatives carried at fair value through profit or loss with NOK 9 million (NOK 0 million).

b) Currency risk

Transaction risk - economic hedge

The group has revenues and expenses in various currencies. The major currencies are NOK, EUR, GBP, USD and AUD. Transaction risk arises because the group has a different currency split on income and expenses. In 2024 Norske Skog has hedged some of its cash flows in foreign currencies. The result of the hedging is included in gains/(losses) on foreign currency in the income statement. The cash flow hedges resulted in a realised loss of NOK 3 million in 2024 (NOK 38 million). At year end 2024 Norske Skog had hedging contracts of NOK -65 (NOK 63 million).

Translation risk - net investment hedge

The group does not have any net investment hedges.

Foreign exchange - sensitivity analysis on financial instruments

The following foreign exchange sensitivity analysis calculates the sensitivity of derivatives and non-derivative financial instruments on net profit and equity, based on a defined appreciation/depreciation of NOK against relevant currencies, keeping all other variables constant. The analysis is based on several assumptions, including:

- Norske Skog as a group comprises entities with different functional currencies. Derivative and non-derivative financial instruments of a monetary nature, denominated in currencies different from the functional currency of the entity, create foreign exchange rate exposure on the consolidated income statement.
- Financial instruments denominated in the functional currency of the entity have no currency risk and will therefore not be applicable to this analysis. Furthermore, the foreign currency exposure of translating financial accounts of subsidiaries into the group's presentational currency is not part of this analysis.
- Sensitivity on commodity contracts and embedded derivatives is presented separately under "commodity risk".
- Other currency derivatives that are recognised at fair value through profit and loss will affect the income statement.
- Other non-derivative financial instruments accounted for in the analysis comprise cash and cash equivalents, trade receivables. trade payables and borrowings denominated in currencies different from the functional currency of the entity.
- Correlation effects between currencies are not taken into account. Figures are presented net of tax.

CURRENCIES AGAINST TO WHICH THE GROUP HAS SIGNIFICANT EXPOSURE	NOK GAIN/(LOSS) FROM 10% APPRECIATION ON FOREIGN CURRENCY EXCHANGE RATES 31.12.2024	31.12.2023
EUR	12	-87
GBP	-70	-37
USD	-31	-25
Other	4	6
Total	**-85**	**-143**

The effect of the sensitivity analysis on the income statement is mainly caused by foreign exchange forward contract in GBP, USD and EUR for which there is no hedge accounting.

c) Commodity risk

A part of the commodity demand is secured through long-term contracts limiting the exposure to changes in commodity prices. Some of the group purchases contracts are defined as financial instruments, or contain embedded derivatives, which fall within the scope of IFRS 9. These financial instruments and embedded derivatives are measured in the balance sheet at fair value with value changes recognised through profit or loss. The embedded derivatives can be in physical commodity contracts and may comprise a wide variety of derivative characteristics.

Changes in fair value of commodity contracts reflect unrealised gains or losses and are calculated as the difference between market price and contract price, discounted to present value. Some commodity contracts are bilateral contracts or embedded derivatives in bilateral contracts, for which there exists no active market. Therefore, valuation techniques are used with as much use as possible of available market information. Techniques that reflect how the market could be expected to price instruments are used in non-observable markets. The fair value of embedded derivatives in physical contracts depends on currency fluctuations.

Sensitivity analysis for commodity contracts

When calculating fair value of future and forward contracts, cash flows are assumed to occur in the middle of the period. Currency effects arise when contract values nominated in foreign currencies are translated into the reporting currency.

COMMODITY CONTRACTS WITHIN THE SCOPE OF IFRS 9			FAIR VALUE 31.12.2024	NET PROFIT AFTER TAX - INCREASE	NET PROFIT AFTER TAX - DECREASE
Energy price	change	10%	-188	114	-114
Currency	change	10%	-188	-39	39
Price index	change	2.5%	-188	0	0

Sensitivity analysis for embedded derivatives

Embedded derivatives can be features in physical commodity contracts. The most common embedded derivatives are currency.

EMBEDDED DERIVATIVES			FAIR VALUE 31.12.2024	NET PROFIT AFTER TAX - INCREASE	NET PROFIT AFTER TAX - DECREASE
Currency	change	10%	-126	-108	108

LIQUIDITY RISK

The group is exposed to liquidity risk in a scenario when the group's cash flow from operating activities is not sufficient to cover payments of financial liabilities. To effectively mitigate liquidity risk, Norske Skog's liquidity risk management strategy focuses on maintaining sufficient cash, as well as securing available financing through committed credit facilities. Managing liquidity risk is centralised on a group level.

To uncover future liquidity risk, the group forecasts both short- and long-term cash flows. Cash flow forecasts include cash flows from operations, investments, financing activities and financial instruments. The group had cash and cash equivalents of NOK 1 127 million on 31 December 2024 (NOK 2 463 million). Restricted bank deposits amounted to NOK 255 million on 31 December 2024 (NOK 643 million).

Scheduled repayments in Note 29 shows contractual maturities of non-derivative financial liabilities. All amounts disclosed in the table are undiscounted cash flows. Furthermore, amounts denominated in foreign currency are translated to NOK using closing rates on 31 December 2024. These amounts consist of trade payables and interest payments. Variable rate interest cash flows are calculated using the forward yield curve. Projected interest payments are based on the maturity schedule on 31 December 2024 without accounting for forecasted refinancing and/or other changes in the liability portfolio. All other cash flows are based on the group's positions held on 31 December 2024.

SCHEDULED REPAYMENTS OF FINANCIAL DEBT AND INTEREST AT 31.12.2024	INTEREST	OTHER LOANS	BONDS	TOTAL
Not later than one year	322	749	0	1 071
Later than one year and not later than five years	810	2 501	1 400	4 711
Later than five years	29	529	0	558
Total	**1 161**	**3 779**	**1 400**	**6 340**
Trade payables				1 282

SCHEDULED REPAYMENTS OF FINANCIAL DEBT AND INTEREST AT 31.12.2023	INTEREST	OTHER LOANS	BONDS	TOTAL
Not later than one year	314	483	0	797
Later than one year and not later than five years	549	2 204	1 530	4 283
Later than five years	54	761	0	815
Total	**917**	**3 448**	**1 530**	**5 895**
Trade payables				1 035

CREDIT RISK

The group makes a credit evaluation of all financial trading counterparties. Based on the evaluation, a limit on credit exposure is established for each counterparty. These limits are monitored continuously in relation to unrealised profit on financial instruments and placements. The maximum credit risk arising from financial instruments is represented by the carrying amount of financial assets in the balance sheet.

The group procedures for credit management of European trade receivables, and the authority to approve credit lines to customers of European business units, are regulated by a policy drafted and maintained by a centralised credit management function at the head office. The operational responsibility to act within the guidelines as set out by this policy lies with each business unit.

6. Reporting segments

SEGMENT REPORTING

The activities in the group are separated into three reporting segments which is in line with how the group is managed internally. Norske Skog's chief operating decision maker is corporate management, who distribute resources and assess performance of the group's operating segments. Norske Skog has an integrated strategy to maximise profits for each segment. The optimisation is carried out through co-ordinated sales and operational planning within each segment.

Accounting policies applied in the segment reporting

Recognition, measurement and classification are applied consistently in external and internal reporting.

Performance measurement

The group assesses the performance of the reporting segments based on a measure of EBITDA. These items exclude the effects of expenditure not deemed to be part of the regular operating activities of the segment, such as restructuring expenses, impairments, changes in fair value of certain energy contracts, embedded derivatives in energy contracts. See Alternative Performance Measures (APM) for further information related to performance measurement other than financial measure defined or specific in the IFRS Accounting standards.

Intercompany transactions

The revenue reported per reporting segment includes both sales to external parties and sales to other segments. Intra-segment sales are eliminated in the consolidated financial statements. All sales transactions between reporting segments are carried out at arm's length prices as if sold or transferred to independent third parties.

REPORTABLE SEGMENTS

Norske Skog group is a producer of publication paper and packaging paper. Publication paper includes newsprint and magazine paper. Newsprint encompasses standard newsprint and other paper qualities used in newspapers, inserts, catalogues, etc. These paper qualities, measured in grammes per square meter, will normally be in the range 40-52 g/m2. Magazine paper encompasses the paper qualities super calendared (SC) and lightweight coated (LWC). These paper qualities are used in magazines, periodicals, catalogues and brochures. From 2023 Norske Skog group is also a producer of recycled containerboard, mainly the grades testliner 3 and fluting. Testliner 3 and fluting are used by corrugators as outer and inner layers of packaging material and will normally be in the range of 90-170 g/m2 for testliner 3 and 70-170 g/m2 for fluting.

Publication paper Europe

Publication paper Europe encompasses production and sale of newsprint and magazine paper in Europe. All the four European mills and the regional sales organisations are included in the reporting segment.

Packaging paper

Packaging paper was established as a new reporting segment in 2023. The segment encompasses production and sale of recycled containerboard in Europe. Norske Skog Bruck PM3 is included in the segment and started its production at the end of the first quarter 2023 with sale to customers from second quarter. During 2025 PM1 at Norske Skog Golbey will be included in the packaging paper segment.

Other activities
Activities in the group that do not fall into the reporting segments publication paper Europe or packaging paper are presented under other activities. This includes corporate functions and sourcing solutions.

Discontinued operations
Publication paper Australasia has in 2024 been classified as a disposal group held for sale and as discontinued operations and is therefore no longer presented in the segment note. See further description in Note 26.

REVENUES AND EXPENSES NOT ALLOCATED TO OPERATING SEGMENTS
Norske Skog manages non-current debt, taxes and cash positions on a group basis. Consequently, financial items and tax expenses are presented only for the group.

OPERATING REVENUE AND EXPENSES PER OPERATING SEGMENT

2024	PUBLICATION PAPER EUROPE	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	8 359	721	802	-649	9 233
Other operating income	807	130	4	-2	939
Total operating income	**9 166**	**851**	**806**	**-651**	**10 173**
Distribution costs	-904	-101	0	0	-1 005
Cost of materials	-5 274	-527	-671	544	-5 927
Employee benefit expenses	-1 446	-156	-101	2	-1 702
Other operating expenses	-773	-61	-73	104	-803
EBITDA	**769**	**6**	**-39**	**0**	**736**
Restructuring expenses	-12	0	-4	0	-16
Depreciation	-354	-118	-8	0	-481
Impairments	-121	0	0	0	-121
Derivatives and other fair value adjustments	-170	0	-8	0	-178
Operating earnings	**112**	**-113**	**-59**	**0**	**-60**
Share of operating revenue from external parties (%)	100	100	26		100

2023	PUBLICATION PAPER EUROPE	PACKAGING PAPER	OTHER ACTIVITIES	ELIMINATIONS	NORSKE SKOG GROUP
Operating revenue	9 591	246	428	-373	9 891
Other operating income	1 550	116	6	-6	1 666
Total operating income	**11 140**	**362**	**434**	**-379**	**11 557**
Distribution costs	-804	-40	0	0	-845
Cost of materials	-5 579	-248	-281	245	-5 863
Employee benefit expenses	-1 500	-157	-117	6	-1 768
Other operating expenses	-1 006	-64	-77	129	-1 019
EBITDA	**2 250**	**-147**	**-41**	**0**	**2 062**
Restructuring expenses	-5	0	-28	0	-32
Depreciation	-379	-77	-9	0	-464
Impairments	-30	3	0	0	-27
Derivatives and other fair value adjustments	-605	0	0	0	-605
Operating earnings	**1 232**	**-221**	**-77**	**0**	**934**
Share of operating revenue from external parties (%)	100	99	15		100

PROPERTY, PLANT AND EQUIPMENT PER GEOGRAPHICAL REGION

The table below shows property, plant and equipment allocated to Norske Skog's country of domicile and other regions in which the group holds assets. The allocation is based on the location of the production facilities.

	31.12.2024	31.12.2023
Europe	9 723	8 385
Australasia	0	182
Total	**9 723**	**8 567**

CASH GENERATED FROM OPERATIONS

	2024	2023
Publication paper Europe	8 847	11 503
Packaging paper	846	331
Other activities	775	398
Discontinued operation	1 922	1 966
Eliminations	-651	-379
Total	**11 740**	**13 819**

NET CASH FLOW FROM OPERATING ACTIVITIES

	2024	2023
Publication paper Europe	228	3 045
Packaging paper	75	-143
Other activities	-76	-210
Discontinued operation	-28	-27
Total cash flow allocated to segments	**200**	**2 664**
Net financial items	-216	-138
Taxes paid	1	-598
Net cash flow from operating activities	**-15**	**1 928**

PURCHASES OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	2024	2023
Publication paper Europe	430	655
Packaging paper	1 082	2 383
Other activities	13	5
Discontinued operation	33	42
Total	**1 558**	**3 084**

INVENTORIES

Inventories include raw materials, work in progress, finished goods and other production materials.

	31.12.2024	31.12.2023
Publication paper Europe	1 301	1 051
Packaging paper	70	54
Other activities	20	13
Discontinued operation	0	242
Total	**1 390**	**1 360**

TRADE RECEIVABLES

	31.12.2024	31.12.2023
Publication paper Europe	402	298
Packaging paper	9	11
Other activities	63	47
Discontinued operation	0	231
Total	**474**	**588**
Provision for bad debt	-52	-50
Total	**422**	**538**

7. Revenue

Accounting policies

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the group expects to be entitled in exchange for those goods or services.

The timing of revenue recognition is based on the delivery terms for the different markets and customers, and where revenue is recognised at a point in time. It is important to make sure that all performance obligations are fulfilled, and the customer can benefit on its own. If the customer cannot obtain control of the good or service, the revenue will not be recognized.

Revenue in the group companies consist almost exclusively of sale of goods. Contracts with customers are recognized upon satisfaction of a performance obligation by transferring the promised goods to a customer and measured at point in time for the sale of products to the customer. Sale of publication papers, packaging paper and other products are non-interest bearing receivables, generally on terms of 20-60 days.

Norske Skog's terms of delivery are based on Incoterms 2020, which are the official rules for the interpretation of trade terms issued by the International Chamber of Commerce. The timing of revenue recognition is largely dependent on these delivery terms: The sale of publication paper and packaging paper in Norske Skog is mainly based on delivery terms C and D, with 8% (8%) and 83% (82%) respectively.

C-terms, where the group arranges and pays for the external transport of the goods, but the group no longer bears any responsibility for the goods once they have been handed over to the transporter in accordance with the terms of the contract. The point of sale is when the goods are handed over to the transporter contracted by the seller.

D-terms, where the group delivers the goods to the purchaser at the agreed destination, usually the purchaser's premises. The point of sale is when the goods are delivered to the purchaser. If the customer is invoiced before delivery of the goods purchased, revenue is only recognized if the customer has taken over a significant part of the gain and loss potential relating to the goods.

MAJOR CUSTOMERS

No customer represents 10% or more of the operating revenue.

Norske Skog had a total sales volume of newsprint and magazine paper of 1 115 000 tonnes in 2024 (1 040 000), of which sales to the group's largest customer constituted approximately 58 000 (65 000) tonnes. Total sales volume in 2024 of newsprint and magazine paper to the five largest customers in Europe amounted to approximately 207 000 (201 000) tonnes.

Total sales volume of recycled containerboard was 162 000 tonnes in 2024 (65 000). Total sales volume in 2024 of recycled containerboard to the five largest customers amounted to 59 000 tonnes (21 000).

OPERATING REVENUE PER GEOGRAPHICAL MARKET

The allocation of operating revenue by market is based on customer location.

	2024	2023
Norway	440	648
Rest of Europe	8 209	8 697
North America	217	170
Asia	306	361
Africa	61	16
Total	**9 233**	**9 891**

8. Other operating income

Accounting policies

Government grants

Government grants are recognised as income or as a cost reduction, dependent on the basis for which the government grant has been awarded. Recognition will be on a systematic basis over the period they have been granted for, or on a systematic basis to the costs that they are intended to compensate for.

Government grants in the form of compensation for losses which have already been incurred, or in the form of direct financial support, which is not directly related to future costs, are recognised as income in the same period as they are awarded.

Government grants related to assets are presented in the balance sheet as deferred income or as a reduction of the cost price of the assets the grant relates to. The grant is then recognised in the income statement either through future periodic income recognition or as a future reduction in the depreciation charge.

CO2 allowances

The EU Emissions Trading System (EU ETS) was established in 2005 and is a cap-and-trade mechanism that limits greenhouse gas emissions from key sectors by setting a cap on total emissions and allowing companies to buy, sell, or trade emission allowances. The pulp and paper industry is classified as being at risk of carbon leakage, meaning it faces significant carbon costs and international competition that could incentivize relocation to countries with less stringent climate policies. To address this risk, operators in the pulp and paper industry are allocated free CO2 allowances based on a carbon intensity benchmark per tonne paper produced.

Free allowances are used to offset emission liabilities and are accounted for at nil value upon allocation. Entities with a surplus of allowances meaning their verified emissions are lower than their allocated free quotas can sell the excess allowances on the carbon market. The expected revenue from these sales is accrued monthly as a function of the paper production. At the end of each month, the value of these allowances is remeasured at prevailing market prices, ensuring financial statements reflect current carbon market conditions.

If an entity is in a net deficit of allowances, a provision for the required additional allowances is recorded monthly at market value to reflect the cost of compliance. Consumption of CO2 allowances is included in cost of materials (see Note 9).

Norske Skog received 274 000 CO2 allowances in 2024 (290 000) and sold approximately 451 000 (210 000). Sold CO2 quotas include also CO2 quotas from prior year in addition to quotas purchased during the year. EUs ETS system currently covers the period 2021 to 2025. Norske Skog has received written notice from the Norwegian Environment Agency stating that the Norwegian mills Norske Skog Saugbrugs and Norske Skog Skogn will not be included in the EUs ETS system from 2026 to 2030.

CO2 compensation

CO2 compensation is an arrangement provided to industries at risk of carbon leakage that face higher electricity costs due to the EU carbon pricing mechanism. Since power producers pass on the cost of EU ETS allowances to electricity prices, energy-intensive industries receive compensation to prevent relocation of production to countries with weaker climate policies. This is included as reduction in energy cost and described in Note 9.

OTHER OPERATING INCOME

	2024	2023
Public subsidies and grants	9	90
Gate fee	125	112
Gain on sales of non-current assets	3	6
Gain from sale of CO2 allowances	222	229
Insurance settlement	458	1 090
Other	123	138
Total	**939**	**1 666**

Public subsidies and grants in 2024 relates mainly to conversion projects in Norske Skog Bruck and Norske Skog Golbey. In 2023 public subsidies and grants consisted of approximately NOK 80 million in CO2 compensation for 2022 for Norske Skog Bruck that was recognised in 2023.

Other for 2024 and 2023 consist mainly of income from sale of steam, sludge, grid and real estate rental.

Insurance settlement

On 27 April 2023 Norske Skog Saugbrugs was impacted by a rockslide that destroyed parts of the building and damaged machinery and equipment related to PM6. The damages to the building and infrastructure were extensive and PM6 has been stopped from the time of the impact.

Norske Skog Saugbrugs is covered for both property damage and business interruption as part of its group insurance program.

Work has been carried out to secure the site from further rockslide and reinstate the building. The costs to secure rock formations and property damage to building structures and cost of reinstatement of these will be covered by Norske Skog Saugbrugs but fully reimbursed by the insurers.

An aggregate insurance settlement of NOK 448 million has been recognized in other operating income in 2024 (NOK 1 090 million).

All of the NOK 448 million recognized in 2024 was related to property damage (NOK 122 million). In 2023 NOK 850 million was recognized related to business interruption and NOK 118 million recognized related to clean-up. Business interruption was recognised in the financial statements for 2023 for the full coverage period of 18 months as the amount was finally agreed and no conditions were attached to the settlement.

NOK 2 million is expensed in other operating expenses (NOK 143 million).

On 31 January 2025 a settlement agreement was reached regarding all remaining compensation related to the rockslide at Norske Skog Saugbrugs. The settlement amounts to NOK 540 million. See further description in Note 32.

In addition NOK 10 million has been recognised as part of an insurance settlement for property damage in 2022 in Norske Skog Golbey.

9. Cost of materials

Accounting policies
Cost of material are accounted for as they are consumed as part of the production of products. Change in inventory reflects the cost of goods sold in the period.

CO2 compensation
CO2 compensation is an arrangement provided to industries at risk of carbon leakage that face higher electricity costs due to the EU carbon pricing mechanism. Since power producers pass on the cost of EU ETS allowances to electricity prices, energy-intensive industries receive compensation to prevent relocation of production to countries with weaker climate policies. CO2 compensation covers a defined period but may be changed at the discretion of the government as any compensation is decided on country level. Norske Skog receives recurring CO2 compensation in Norway and France. The compensation is dependent on energy consumption and average CO2 market price in the previous year. As the production and earned CO2 compensation is quite stable throughout the year, this is accrued for monthly in the year before it is received. CO2 compensation is recognized as a reduction of energy cost as the element of energy cost it compensates is consumed and incurred.

In 2024 the Norwegian government entered into an agreement with unions and trade organisations regarding a new framework for the Norwegian CO2 compensation. The amended regulation applies for the period 2024 to 2030. The agreement includes removing the price floor that previously existed in addition to implementing at funding cap of NOK 7 billion and a requirement that the companies eligible to the compensation spend 40 percent of the compensation on climate- and energy initiatives. Norske Skog's CO2 compensation is dependent on the production for all the companies eligible to the CO2 compensation and Norske Skog recognises estimated entitled CO2 compensation as earned based on the approved regulation and expected compensation level in relation to energy consumed. Application and payment of compensation is to be done the first few months in the year following the year of consumption of electricity.

The amount recognised for CO2 compensation for 2024 is NOK 478 million (NOK 411 million) and are recorded as a reduction of energy costs in the line cost of materials. An amount of NOK 140 million of the compensation recognised for 2024 is contingent of Norske Skog to complete initiatives to reduce CO2 emissions or improve energy efficiency for the equivalent amount.

CO2 allowances
Allocation of free CO2 quotas are based on the annual production. The free quotas are used to settle liabilities arising from emission. If an entity is net deficit of allowances (emissions exceed CO2 allowances received) provision for quotas that needs to be purchased is done monthly as the production the quotas is a function of is quite stable. At each month this is remeasured at market value. Consumption of CO2 allowances in included in energy within cost of materials. See Note 8 for further information.

COST OF MATERIALS

	2024	2023
Fibre	3 023	2 209
Chemicals and additives	917	828
Energy	1 489	2 071
Other production material	585	565
Change in inventory	-86	190
Total	**5 927**	**5 863**

10. Employee benefit expenses

Accounting policies

Bonus arrangements
The group accrues for bonus arrangements when there exists a contractual obligation, or past practice has created a constructive obligation.

Share-based remuneration
Norske Skog has a long-term incentive programme which falls within the scope of IFRS 2 Share-based payments. The long-term incentive programme is a cash-settled share-based programme in which the entity acquires services by incurring a liability to transfer cash to the employee for those services for amounts that are based on the price of the shares in the company. The ultimate cost of a cash-settled share-based transaction is the actual cash paid to the counterparty, which will be the fair value at settlement date.

The periodic determination of this liability is at each reporting date between grant and settlement the fair value of the award. The fair value of the award is determined in accordance with the specific requirements in IFRS 2. During the vesting period, the liability recognised at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period. All changes in the liability are recognised in profit or loss. The fair value of the liability is determined by applying an option pricing model, considering the terms and conditions on which the cash-settled transaction was granted, and the extent to which the employees have rendered services to date.

EMPLOYEE BENEFIT EXPENSES	NOTE	2024	2023
Salaries including holiday pay		1 282	1 337
Social security contributions		346	362
Pension and other long term employee benefits	27	49	43
Other employee benefit expenses		25	26
Total		**1 702**	**1 768**

NUMBER OF EMPLOYEES	2024	2023
Europe	1 748	1 828
- Corporate functions	23	26
Total	**1 771**	**1 859**

REMUNERATION FOR MEMBERS OF CORPORATE MANAGEMENT
Pursuant to 6-16 (b) in the Public Limited Liability Companies Act, and associated regulations, Norske Skog publishes a separate management remuneration report disclosing detailed information on remuneration to corporate management (CM) and directors of the board. The remuneration report will be published immediately after the annual general meeting on 10 April 2025 and will include detailed information on management remuneration complementing the numbers presented below.

In accordance with the code of conduct for corporate governance recommended by the Oslo Stock Exchange, salary, benefits in kind and bonus for members of corporate management are specified below. In relation to the long-term incentive program for corporate management NOK -4 million was expensed in 2024 (NOK 15 million) and on 31 December 2024 the corresponding liability was NOK 1.4 million (NOK 2.3 million). The long-term incentive program is described in the guidelines for determining salary and other remuneration to leading personnel, which are available on the company's website, www.norskeskog.com.

Norske Skog Bruck, pope reel section
Photo: Carsten Dybevig

2024 (in NOK 1 000)		Fixed		Variable				
CORPORATE MANAGEMENT MEMBER	**ANNUAL BASE SALARY**	**SALARY EARNED [1]**	**BENEFITS IN KIND ETC.[2]**	**STI earned[3]**	**LTI EARNED[4]**	**CONTRIBUTION TO PENSION SCHEMES**	**TOTAL REMUNERATION**	**RELATIVE PROPORTION FIXED/VARIABLE**
Geir Drangsland, CEO	5 234	5 074	191	-	206	888	**6 359**	96%/4%
Tord Steinset Torvund, CFO since 1 March	2 104	1 710	137	-	-1 194	224	**876**	100%/N/A
Robert A. Wood, [5] SVP Commercial	2 440	2 495	31	-	-424	184	**2 285**	100%/N/A
Einar Blaauw, SVP General Counsel in CM since 1 January	2 445	2 421	179	-	-337	440	**2 704**	100%/N/A
Even Lund, VP Corporate Finance in CM since 1 January	1 894	1 875	144	-	-1 194	225	**1 050**	100%/N/A
Rune Sollie, CFO until 1 March	2 325	1 331	85		-605	159	**970**	100%/N/A
Amund Saxrud, COO until 20 March	2 325	2 957	143	-	-605	345	**2 840**	100%/N/A

2023 (in NOK 1 000)		Fixed		Variable				
CORPORATE MANAGEMENT MEMBER	**ANNUAL BASE SALARY**	**SALARY EARNED [1]**	**BENEFITS IN KIND ETC.[2]**	**STI earned[3]**	**LTI EARNED[4]**	**CONTRIBUTION TO PENSION SCHEMES**	**TOTAL REMUNERATION**	**RELATIVE PROPORTION FIXED/VARIABLE**
Geir Drangsland, CEO since 1 September	4 975	1 852	63	746	108	284	**3 053**	69%/31%
Tore Hansesætre, SVP Strategic projects/CEO from 1 June until 31 August	3 821	4 154	241	1 493	1 410	716	**8 014**	60%/40%
Sven Ombudstvedt, CEO until 31 May	4 975	8 647	270	622	3 377	783	**13 699**	69%/31%
Rune Sollie, CFO	2 325	2 445	207	930	2 015	322	**5 919**	47%/53%
Robert A. Wood, [5] SVP Commercial	2 378	2 378	45	927	2 015	287	**5 652**	45%/55%
Amund Saxrud, COO	2 325	2 463	365	959	2 015	322	**6 124**	49%/51%
Lars P. S. Sperre, SVP Strategy until 30 September	3 745	3 987	229	1 125	1 592	604	**7 537**	61%/39%

1) *Salary earned includes fixed salary and accrued holiday pay*
2) *Benefits in kind includes car allowance, insurance, free telephone etc.*
3) *Based on performance in the financial year, paid in the first quarter of the next financial year. There was no STI bonus earned for the financial year 2024*
4) *Illustrates the expensed change in accrual of the corresponding liability and is not directly linked to actual payments. For 2024 LTI has been negative for most of the corporate management members*
5) *Robert A. Wood was employed by Norske Skog ASA from 1 April 2024. Prior to this he was employed by Norske Skog UK Ltd. He has during his employment in Norske Skog UK Ltd. worked fully for Norske Skog ASA as SVP Commercial. Salary in GBP is translated to NOK at the average exchange rate for the relevant period the salary was paid in GBP*

11. Other operating expenses

	NOTE	2024	2023
Maintenance materials and services	8	429	630
Marketing expenses		21	25
Variable lease, short term and low value lease expenses	19	21	17
Administration, insurance, travel expenses etc.		105	89
Losses from divestments of property, plant and equipment		0	1
Other expenses		227	256
Total		**803**	**1 019**
Specification of losses on trade receivable included in other expenses			
Receivables written off during the period		2	1
Change in provision for bad debt		0	2
Total		**2**	**3**

AUDITORS' FEE INCLUDED IN OTHER OPERATING EXPENSES

	PARENT COMPANY	SUBSIDIARIES		
(in NOK 1 000, excluding VAT)	GROUP AUDITORS	GROUP AUDITORS	OTHER AUDITORS	TOTAL
Audit fee	1 887	3 237	82	5 206
Audit-related assistance[1)]	1 007	72	215	1 294
Tax assistance	24	0	0	24
Other fees	0	111	0	111
Total	**2 919**	**3 419**	**298**	**6 636**

[1)] Audit-related assistance includes services, which only auditors can provide, such as the review of interim financial statements, agreed upon control procedures etc.

12. Derivatives and other fair value adjustment

Accounting policies

The group has derivatives in the form of currency forward contracts, used to hedge currency risk, embedded derivatives related to currency in certain energy contracts that are separated from its host contract and certain energy contracts that are accounted for at fair value.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of any of these derivative instruments are recognised in the income statement. The group has selected to not designate any financial instruments for hedge accounting.

The fair value of currency forward contracts is based on mark-to-market reports (level 2) which are considered to be an approximation of fair value. For the embedded derivatives and contracts valued at fair value there is no active market, and the group applies valuation techniques to establish the fair value (level 3). These may include the use of recent arm's length transactions, reference to other instruments which are substantially the same, and discounted cash flow analyses defined to reflect the issuer's specific circumstances. Fair value includes the impact of credit risk and the adjustment for credit risk is dependent on whether the derivative is in the money (asset) or out of the money (liability). Credit value adjustment is applied to assets positions based on credit risk associated with the counterparty. Debit value adjustment is applied to liability positions, based on the groups own credit risk.

	2024	2023
Changes in value – commodity contracts [1)]	-127	-514
Changes in value – embedded derivatives	-47	-91
Realised gains/(losses) on contracts	-7	0
Total	**-178**	**-605**

[1)] Long-term financial contracts and commodity contracts that no longer meet the requirement in IFRS 9 related to own use are measured at fair value

Norske Skog's portfolio of commodity contracts consists mainly of physical energy contracts. The fair value of commodity contracts is especially sensitive to future changes in energy prices. A sensitivity analysis of the impact on profit after tax of fluctuations in energy prices, currency and price indices is given in Note 5. The valuation techniques used are described in Note 21.

The loss in fair value of commodity contracts in 2024 and 2023 is mainly due to the forecasted forward energy prices in Norway decreasing in 2023 and 2024.

The loss in embedded derivatives in 2024 is mainly due to the EUR/NOK forward prices weakening from 2023 to 2024. The EUR/NOK forward price was weakening during 2023.

Realised gain/(losses) on contracts consist of realised losses on financial heading of excess energy during 2024.

13. Associated companies and joint ventures

Accounting policies

Associates are all entities over which the group exercises significant influence but not control, generally accompanying a shareholding of 20% to 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting.

Net profit from associated companies is included in 2024 with a loss of NOK 65 million (NOK -15 million).

The carrying value of associated companies and joint ventures are NOK 15 million on 31 December 2024 (NOK 80 million).

Circa Group AS

Norske Skog holds a 26% share of Circa Group AS that has been suspended from trading on Euronext Growth following its filed petition for bankruptcy on 7 October 2024. Norske Skog has during 2024 impaired the shares to reflect the market value of nil (NOK 65 million). Total loss in 2024 amounts to NOK 65 million (NOK 15 million).

Circa Group AS is incorporated into the consolidated financial statement based on continuity and the carrying value will therefore deviate from the values shown in the financial statements of Norske Skog ASA.

Porsnes Uvikling AS

Norske Skog Saugbrugs held a 50% share of Porsnes Utvikling AS and received a dividend of NOK 205 million in 2023.

14. Financial items

Accounting policies

Interest income and expenses are recognised in the income statement as they are accrued, based on the effective interest method. This is the interest rate that gives a net present value of the cash flows from the loan that is equal to carrying value.

Currency contracts

Forward currency contracts are recognized in the balance sheet and measured at fair value at each balance sheet date with the resulting gain or loss recognised in gain/(losses) on foreign currency.

FINANCIAL ITEMS	2024	2023
Financial income		
Interest income	84	93
Total	**84**	**93**
Financial expenses		
Interest expense	-212	-208
Other financial expenses	-139	-89
Total	**-351**	**-297**
Gains/(losses) on foreign currency	**-175**	**-71**
Financial items	**-441**	**-275**

Other financial expenses mainly consist of commitments fee and other financing expenses. See Note 29. In 2024 other financial expenses include NOK 43 million in transaction cost regarding refinancing of the 150 million senior secured bond. In 2023 other financial expenses also includes write-downs on other shares of NOK 16 million.

15. Income tax

Accounting policies

The group's income tax expense includes current tax based on taxable profit for each jurisdiction. This is adjusted by;

- changes in deferred tax assets and liabilities attributable to temporary differences arising between the carrying amount of assets and liabilities in the consolidated financial statements and their tax bases and;
- changes to unused tax losses that are expected to be utilised.

Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively. Deferred tax assets are offset against deferred tax liabilities only when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and there is a legally enforceable right to set-off current tax assets against current deferred tax liabilities.

The tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. The groups operations are located in countries with ordinary tax regimes and there are no special tax arrangements requiring special consideration or complexity.

Pillar Two

The Pillar Two model rules (Global Anti-Base Erosion rules) ("the rules") introduces a global minimum corporate tax of 15%. All jurisdictions Norske Skog operates in has notified the implementation of the rules. The first reporting of the rules will take place in the first part of 2026 for 2024.

For the financial year beginning 1 January 2024 Norske Skog is subject to the rules in the jurisdictions where Norske Skog's has operations. The group has assessed the potential impact on income taxes of rules in relation to "top up tax".

The assessment is based on the tax reporting and country-by-country reporting to local tax authorities and the financial statement of the entities applied to the rules. The assessment has concluded that the effective tax rate of the entities is above the threshold of 15% or within safe harbour rules. No Pillar Two income taxes have been expensed in 2024.

Under IFRS there is a temporary exception to the requirements of IAS 12. Norske Skog has applied this exemption to not recognise or disclose information about deferred tax asset and liabilities related to Base Erosion and Profit Shifting (BEPS) Pillar Two rules.

TAX EXPENSE	2024	2023
Current tax expense	-4	-178
Change in deferred tax	-91	68
Total	**-94**	**-110**

RECONCILIATION OF THE GROUP TAX EXPENSE	2024	2023
Profit/(loss) before income taxes	-566	645
Computed tax at nominal tax group rate of 22%	125	-142
Differences due to different tax rates	3	-16
Non taxable income/non deductible expenses	-3	-2
Adjustment previous years	0	38
Other items	-8	-22
Deferred tax asset not recognised	-211	35
Total tax (expense)/income	-94	-110
Effective tax rate	**-17%**	**17%**

CURRENT TAX LIABILITY	31.12.2024	31.12.2023
Norway	0	0
Rest of Europe	-11	-11
Total	**-11**	**-11**

DEFERRED TAX - MOVEMENTS	2024	2023
Net deferred tax asset/(liability) 1 January	4	-72
Change in deferred tax in the income statement	-91	87
Tax on other comprehensive income	1	1
Currency translation differences	-10	-13
Net deferred tax asset/(liability) 31 December	**-96**	**4**

DEFERRED TAX ASSET AND DEFERRED TAX LIABILITY	31.12.2024	31.12.2023
Norway	111	206
Rest of Europe	0	0
Deferred tax assets	**111**	**206**
Rest of Europe	-207	-202
Deferred tax liability	**-207**	**-202**
Net deferred tax assets/(liability)	**-96**	**4**

DEFERRED TAX DETAILS	31.12.2024	31.12.2023
Fixed assets	-74	124
Pension and other employee obligations	10	13
Other non-current items	39	88
Currency translation differences and financial instruments	67	56
Current items	-15	14
Financial instruments	16	-14
Interest carry forward (Interest limitation rules)	70	45
Tax losses to carry forward	415	836
Tax losses and other deferred tax assets not recognised	-629	-1 163
Tax credits	5	3
Net deferred tax assets/(liability)	**-96**	**4**

Photo: Carsten Dybevig

LOSSES TO CARRY FORWARD AND TEMPORARY DIFFERENCES 31.12.2024 BY REGION

	NORWAY	REST OF EUROPE	TOTAL
Tax losses to carry forward	869	967	1 836
Temporary differences	1 492	-10	1 483
Tax losses and temporary differences not recognised	-1 855	-957	-2 812
Total tax losses and tax credits to carry forward (recognised)	**505**	**0**	**505**
Deferred tax asset	**111**	**0**	**111**
Tax rate	**22%**	**23-25%**	

LOSSES TO CARRY FORWARD AND TEMPORARY DIFFERENCES 31.12.2023 BY REGION

	NORWAY	REST OF EUROPE	AUSTRALASIA	TOTAL
Tax losses to carry forward	595	599	1 916	3 110
Temporary differences	1 645	-1	617	2 261
Tax losses and temporary differences not recognised	-1 303	-599	-2 532	-4 435
Total tax losses and tax credits to carry forward (recognised)	**936**	**0**	**0**	**936**
Deferred tax asset	**206**	**0**	**0**	**206**
Tax rate	**22%**	**19-32%**	**28-30%**	

Norske Skog has not recognized any deferred tax asset arising from the tax losses carried forward.

16. Earnings and dividend per share

	NOTE	2024	2023
Profit/(loss) from continuing operations		-661	535
Profit/(loss) from discontinued operations	26	-321	-54
Profit/(loss) for the year in NOK million attributable to owners of the parent		-982	481
Weighted average number of shares in million		84.8	84.8
Basic earnings per share			
From continuing operations		-7.79	6.31
From discontinued operations	26	-3.78	-0.64
Total basic earnings per share		-11.57	5.67
Diluted earnings/(loss) per share			
From continuing operations		-7.79	6.31
From discontinued operations	26	-3.78	-0.64
Total diluted earnings per share		-11.57	5.67

The board of directors has decided not to propose the general meeting any dividend for the financial year 2024. No dividend was paid in 2024 for the financial year 2023. A dividend of NOK 0.67 per share was paid out 28 November 2023 for the financial year 2022.

17. Intangible assets

Accounting policies

Patents and licenses

Patents and licenses have a finite useful life and are recognised at historical cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of patents and licences over their estimated useful lives.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire the specific software and bring it into use and amortised over their estimated useful lives. Computer software development costs recognised as assets are amortised over their estimated useful lives. Costs associated with maintaining computer software are recognised as an expense as they are incurred.

Impairment

Norske Skog has no cash generating units (CGUs) with allocated goodwill or assets with indefinite useful life that need to be tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

INTANGIBLE ASSETS	OTHER INTANGIBLE ASSETS	LICENCES AND PATENTS	TOTAL
Acquisition cost 1 January 2023	**65**	**91**	**157**
Additions	0	2	2
Disposals	-14	0	-14
Reclassified from plant under construction	1	0	1
Currency translation differences	2	4	6
Acquisition cost 31 December 2023	**54**	**97**	**151**
Accumulated depreciation and impairments 1 January 2023	**62**	**81**	**143**
Depreciation	1	4	5
Disposals	-14	0	-14
Currency translation difference	2	4	6
Accumulated depreciation and impairments 31 December 2023	**50**	**89**	**139**
Carrying value 31 December 2023	**4**	**8**	**12**
Acquisition cost 1 January 2024	54	97	151
Additions	1	2	3
Reclassified to assets held for sale	-53	0	-53
Reclassified from plant under construction	0	2	2
Currency translation differences	1	3	4
Acquisition cost 31 December 2024	**4**	**104**	**107**
Accumulated depreciation and impairments 1 January 2024	**50**	**89**	**139**
Depreciation	1	4	5
Reclassified to assets held for sale	-52	0	-52
Currency translation difference	1	3	4
Accumulated depreciation and impairments 31 December 2024	**0**	**96**	**97**
Carrying value 31 December 2024	**3**	**8**	**11**

18. Property, plant and equipment

Accounting policies
Property, plant and equipment (PPE) is presented at historical cost less subsequent depreciation, write downs and impairments. Historical cost includes expenditure directly attributable to the acquisition of the items. The residual value of production equipment is defined as the realisable value after deduction of the estimated cost of dismantling and removal of the asset. If the estimated cost exceeds the estimated value, the net liability is added to the cost of the related asset, and a provision is recognised as a liability in the balance sheet.

Borrowing costs, which are directly related to qualifying assets, are recognised as part of the acquisition cost for the qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives. Land is not depreciated.

The residual value and useful life of property, plant and equipment are reviewed and adjusted if required.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and is included in the income statement line other operating income/other operating expenses.

Impairment
Review of impairment indicators are performed regularly, and if impairment indicators are identified an impairment test of property plant and is performed. Indicators of impairment will typically be changes in market conditions and changes in the competitive situation. For the purpose of assessing impairment, assets are grouped at the lowest level for which cash flows are separately identifiable cash generating units (CGU).

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

There is judgement required to determine CGU for impairment testing. For property, plant and equipment the CGU can be a single machine or a combination of machines on the facts and circumstances.

At the end of 2024 the market for magazine grades were unbalanced after a considerable demand decline the preceding years and limited capacity closures. The containerboard market is also experiencing some overcapacity as new entrants is expected to outpace the growth in demand the coming years.

Assumptions applied when calculating the recoverable amount
Intangible non-current assets and property, plant and equipment (PPE) are written down to their recoverable amount when this is lower than the carrying value of the asset. The recoverable amount of an asset or CGU is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of future cash flows expected to arise from an asset or cash-generating unit. Norske Skog applies the value in use approach when calculating recoverable amount for its CGUs. Norske Skog has identified the following CGUs: Europe newsprint (Norske Skog Skogn and Norske Skog Golbey), Europe super calendared (Norske Skog Saugbrugs), Europe lightweight coated (Norske Skog Bruck) and containerboard (Norske Skog Bruck and Norske Skog Golbey). These represent the six cash generating units that the group is focusing on in its follow-up operationally and commercially as communication with customers, suppliers, employees. The different mills within a CGU works together to generate cash inflows.

The production machines have a long technical life, while useful lives are linked to industry cost curves and the size of the market. The estimated remaining useful life of the individual paper machines forms the basis for determining the length of the cash flow period used in the value in use calculation. Estimated remaining useful life for the individual publication paper machines in the group varies from 1 to 8 years for publication paper machines and 20 year for packaging paper machines. Sales volumes are reduced in accordance with the estimated end of useful lives of the different paper machines in the group. Norske Skog models the cash flows throughout the useful life of the paper machines. The timing of capacity closures is based on an assessment of the position on Fastmarkets RISI cost curve and market demand projections for the produced grade. Fastmarkets RISI is the leading global source for forest products information and data (www.fastmarkets.com).

Nominal cash flow is estimated in the functional currency in which it will be generated. The value is calculated by discounting based on a required rate of return on capital that is relevant for the cash-generating unit. The required rate of return, or weighted average cost of capital (WACC), is based on the interest rate on ten-year government bonds in the currency of the cash flow estimate, an industry debt yield premium, industry beta and an equity risk premium. A country-specific risk premium relevant to the cash-generating unit is also included in the required rate of return on capital.

The key drivers of profitability in publication paper and packaging paper and thus asset values for the group are product prices relative to production costs i.e. EBITDA margin. EBITDA levels represents the operating profit (loss) before depreciation and amortization. The starting point for any impairment test is the financial budget for 2024 approved by the board of directors. The key assumptions used in reaching the forecast figures are sales prices, volumes and operating costs. Contracted prices/costs are reflected when applicable in the budget.

The are no observable market prices for the group's products, but there are external sources such as Fastmarkets RISI and PPPC for which estimate prices for publication paper and packaging paper, and these are used as a reference. For operating cost related to raw materials and energy contract prices are used when they cover longer periods, or a best estimate of cost based on historical experience and any expected changes. Operating costs are based on budgeted levels and adjusted for any approved efficiency initiatives.

The calculation of value in use takes into consideration any future changes in both the CO2 quotas and the income from CO2 compensation going forward in line with the relevant regulatory framework. Other than that no climate legislation has currently been approved that impacts the group. There are however expectations that new climate related legislation will be passed in the future that may increase costs or reduce income and thereby impacting on profitability is costs are not able to be passed on to customer or fully or partially compensated by incentive schemes.

Expected useful life

In connection with the year-end closing process for 2024, Norske Skog performed a review of the expected remaining useful lives of property, plant and equipment. The useful life of most of the machines were reduced by one year compared with last year assumptions.

Sensitivity to estimates of recoverable amount

The key uncertainty in the cash flows and profitability relates to future market prices for Norske Skog's products and input factors in the production and prices and cost relative to each other. The estimation of recoverable amount is based on assumptions regarding the future development of several factors. These include price development for finished goods, sales volumes, currency rates and interest rates. In relation to the assumptions made in a calculation of the present value of future cash flows, recoverable amount is most sensitive to changes in prices of finished goods, but also sales volumes and the discount rate used but to a lesser extent.

Property, plant and equipment allocated to cash-generating units

The table below shows machinery and equipment and land and buildings allocated to Norske Skog's cash-generating units as of 31 December 2024.

	MACHINERY AND EQUIPMENT	LAND AND BUILDINGS
Europe newsprint	1 111	550
Europe super calendared	191	123
Europe lightweight coated	0	0
Containerboard	1 900	586
Carrying value 31 December 2024	**3 203**	**1 259**

Impairment test

Norske Skog has identified impairment indicators related to the containerboard and super calendared cash generating units. An impairment of NOK 121 million was recognised in relation to the Europe super calendared CGU.

Photo: Adobe Stock

PROPERTY, PLANT AND EQUIPMENT	BIOLOGICAL ASSETS	MACHINERY AND EQUIPMENT	LAND AND BUILDINGS	FIXTURES AND FITTINGS	PLANT UNDER CONSTRUCTION	RIGHT-OF-USE ASSETS	TOTAL
Acquisition cost 1 January 2023	**2**	**29 162**	**6 962**	**549**	**2 860**	**191**	**39 725**
Additions	0	32	1	0	2 950	55	3 038
Disposals	0	-5 995	-468	-28	-42	-24	-6 556
Reclassified from plant under construction	0	1 508	303	16	-1 828	0	-1
Currency translation differences	0	1 123	241	32	145	8	1 549
Acquisition cost 31 December 2023	**2**	**25 831**	**7 040**	**568**	**4 085**	**230**	**37 755**
Accumulated depreciation and impairments 1 January 2023	**0**	**27 066**	**6 099**	**502**	**85**	**123**	**33 874**
Depreciation	0	357	93	16	0	42	509
Impairment	0	53	5	0	30	0	88
Disposals	0	-5 995	-461	-26	-42	-24	-6 548
Currency translation difference	0	1 030	200	29	2	4	1 265
Accumulated depreciation and impairments 31 December 2023	**0**	**22 510**	**5 936**	**521**	**75**	**146**	**29 188**
Carrying value 31 December 2023	**2**	**3 320**	**1 104**	**47**	**4 010**	**84**	**8 567**
Acquisition cost 1 January 2024	**2**	**25 831**	**7 040**	**568**	**4 085**	**230**	**37 755**
Additions	0	39	106	0	1 436	107	1 688
Disposals	0	-2	0	0	0	-94	-96
Reclassified to assets held for sale	-2	-4 802	-538	-21	-42	-63	-5 467
Reclassified from plant under construction	0	303	149	3	-456	0	-2
Currency translation differences	0	639	185	23	187	8	1 042
Acquisition cost 31 December 2024	**0**	**22 008**	**6 942**	**574**	**5 210**	**188**	**34 921**
Accumulated depreciation and impairments 1 January 2024	**0**	**22 510**	**5 936**	**521**	**75**	**146**	**29 188**
Depreciation	0	361	92	14	0	45	513
Impairment	2	205	28	0	37	25	297
Disposals	0	0	0	0	0	-92	-92
Reclassified to assets held for sale	-2	-4 772	-514	-21	-37	-30	-5 374
Currency translation difference	0	500	141	21	0	6	668
Accumulated depreciation and impairments 31 December 2024	**0**	**18 805**	**5 683**	**536**	**75**	**100**	**25 198**
Carrying value 31 December 2024	**0**	**3 203**	**1 259**	**38**	**5 135**	**88**	**9 723**

SPECIFICATION OF DEPRECIATION AND IMPAIRMENTS	NOTE	2024	2023
Property, plant and equipment		513	509
Intangible assets		5	5
Depreciation from discontinued operations	26	-37	-50
Depreciation from continuing operation		**481**	**464**
Property, plant and equipment		297	88
Intangible assets		0	0
Impairments from discontinued operations	26	-176	-62
Impairments from continuing operation		**121**	**27**

Machinery and equipment are depreciated over a period from five to 25 years. Land and buildings comprise mainly mills, machinery and office premises. Buildings and other property are depreciated over a period from ten to 40 years. Fixtures and fittings are depreciated over a period from three to ten years. Land and plant under construction are not depreciated.

Right-of-use assets is further described in Note 19.

The difference between total additions in the table above and purchases of property, plant, equipment and intangible assets in the consolidated statement of cash flows is due to leases, capitalised borrowing costs and accruals for payments. Norske Skog has capitalised borrowing costs of NOK 105 million in 2024 (NOK 16 million).

Disposals in 2024 and 2023 were primarily related to scrapping of fully depreciated assets that no longer have any technical values.

At year end 2024 the group has contractual commitments for acquisition of property, plant and equipment of NOK 530 million (NOK 700 million) that relate to future periods. In 2024 total payments related to acquisition of property, plant and equipment to committee amount was NOK 700 million.

19. Leases

Accounting policies

Norske Skog recognises a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term ("right-of-use asset"). Exceptions for short term leases and low value leases have been adapted by the group. At initial recognition the lease assets is measured at an amount equal to the lease liability. Norske Skog separately recognises the interest expense on the lease liability and the depreciation expense on the leased assets.

The group's leased assets are categorized and presented in the table below:

LEASES	MACHINERY AND EQUIPMENT	LAND AND BUILDINGS	FIXTURES AND FITTINGS	TOTAL
Carrying value 1 January 2023	**44**	**16**	**7**	**68**
Additions	27	28	0	55
Depreciations	-30	-11	-1	-42
Currency translation differences	2	1	0	3
Carrying value 31 December 2023	**43**	**34**	**6**	**84**
Additions	101	6	0	107
Disposals	-2	0	0	-2
Reclassified to assets held for sale	-32	0	0	-33
Depreciations	-34	-10	-1	-45
Impairment	-25	0	0	-25
Currency translation differences	1	0	0	2
Carrying value 31 December 2024	**52**	**30**	**5**	**88**

LEASE PAYMENTS MATURITY ANALYSIS	NOTE	31.12.2024	31.12.2023
Not later than one year		28	39
Later than one year and not later than five years		55	46
Later than five years		22	15
Total		**105**	**100**
Future finance charges		13	11
Present value of liabilities	29	**92**	**89**

Interest expense on lease liabilities amounts to NOK 6 million in 2023 (NOK 5 million).

CASH PAYMENT MADE FROM LEASES	2024	2023
Principal payments on recognised lease liabilities	32	29
Interest payments on recognised lease liabilities	6	5
Payments on leases expensed in the period	20	17
Principal, interest and leases expense payments from discontinued operations	15	17
Total	**73**	**68**

The group has decided not to recognise a lease liability for short term leases or for leases of low value assets. Payments made under such leases are included in operating expenses. Certain variable lease payments are not permitted to be recognised as leases liabilities and are expensed as incurred.

VARIABLE LEASE, SHORT TERM AND LOW VALUE LEASE EXPENSES	NOTE	2024	2023
Expense relating to variable lease payments not included in the measurement of lease liabilities		5	5
Short term leases exemption		1	1
Low-value leases exemption		14	11
Total	11	**20**	**17**

20. Shares

SHARES IN SUBSIDIARIES OWNED BY THE PARENT COMPANY	CONSOLIDATED COMPANIES	CURRENCY	SHARE CAPITAL (IN 1 000)	OWNERSHIP%
Norske Skog Bruck GmbH, Bruck, Austria		EUR	67 000	100%
	Norske Skog Recycling GmbH, Bruck, Austria	EUR	291	100%
Norske Skog Golbey SAS, Golbey, France		EUR	62 365	100%
	GV Bois SAS, Golbey, France	EUR	100	90%
	Green Valley Energy SASU, France	EUR	2 301	64%
Norske Skog Skogn AS, Levanger, Norway		NOK	115 230	100%
Norske Skog Saugbrugs AS, Halden, Norway		NOK	115 230	100%
	Saugbrugs Bioenergi AS, Halden, Norway	NOK	3 000	100%
Norske Skog Industries Australia Ltd., Sydney, Australia		AUD	340 000	100%
	Norske Skog (Australasia) Pty Ltd., Sydney, Australia	AUD	21 000	100%
	Norske Skog Paper Mills (Australia) Ltd., Tasmania, Australia	AUD	7 539	100%
Nornews AS, Oslo, Norway		NOK	300	100%
	Norske Skog Deutschland GmbH, Augsburg, Germany	EUR	520	100%
	Norske Skog France SARL, Paris, France	EUR	135	100%
	Norske Skog (Österreich) GmbH, Graz, Austria	EUR	35	100%
	Norske Skog (Schweiz) AG, Zürich, Switzerland	CHF	50	100%
	Norske Skog (UK) Ltd., London, United Kingdom	GBP	100	100%
Cebina AS, Oslo, Norway		NOK	30	100%
Cebico AS, Oslo, Norway		NOK	30	100%

SHARES IN ASSOCIATED COMPANIES AND JOINT VENTURES	CURRENCY	SHARE CAPITAL (in 1 000)	OWNERSHIP%	CARRYING VALUE (NOK)
Owned by consolidated companies				
Porsnes Utvikling AS, Halden, Norway	NOK	300	50%	7
Green Valley Energie, France	EUR	300	10%	3
NorFibre Logistics SAS, France	EUR	500	20%	1
SEM, France	EUR	879	10%	1
Austria Papier Recycling GmbH, Austria	EUR	182	33%	1
Other				1
Total shares in associated companies and joint ventures				**15**

OTHER SHARES	NOTE	CURRENCY	SHARE CAPITAL (in 1 000)	OWNERSHIP%	CARRYING VALUE (NOK)
Owned by the parent company					
Ocean GeoLoop AS, Skogn, Norway		NOK	527	2%	5
3K6 Skoginvest AS, Trondheim, Norway		NOK	165	2%	2
Owned by consolidated companies					
Exeltium SAS, Paris, France		EUR	12 358	5%	98
Other					1
Total other shares	23				**106**

21. Derivatives

Fair value of derivatives

Norske Skog's portfolio of commodity contracts consist mainly of physical energy contracts. The commodity contracts and embedded derivatives classified as financial instruments within the scope of IFRS 9 contracts are related to energy contracts in Norway. Fair value of commodity contracts is sensitive to estimates of future energy prices. For further details about gains and losses relating to level 3 instruments see Note 12.

The fair value of derivatives that are not traded in an active market (over-the-counter derivatives) is determined using various valuation techniques. Interest rate swaps, cross-currency swaps, forward rate agreements and foreign currency forward contracts are all valued by estimating the present value of future cash flows. Quoted cash and swap rates are used as input for calculating zero coupon curves used for discounting.

The fair value of commodity contracts recognised in the balance sheet is calculated by using quotes from actively traded markets when available. Otherwise, price forecasts from acknowledged external sources are used. Commodity contracts that fail to meet the own-use exemption criteria in IFRS 9 are recognised in the balance sheet and valued on the same principle as financial contracts. Some of these are long-term energy contracts. In calculating the fair value of embedded derivatives, valuation techniques are used in the absence of observable market inputs.

The table below classifies financial instruments within the scope of IFRS 9 measured in the balance sheet at fair value, by valuation method. The different valuation methods are described as levels and are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (i.e. unobservable inputs).

31.12.2024	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets at fair value through profit or loss				
Trading derivatives	0	0	0	0
Derivatives used for hedging	0	1	0	1
Commodity contracts and embedded derivatives	0	0	9	9
Total	**0**	**1**	**9**	**10**
Financial liabilities at fair value through profit or loss				
Trading derivatives	0	-1	0	-1
Derivatives used for hedging	0	-71	0	-71
Commodity contracts and embedded derivatives	0	0	-324	-324
Total	**0**	**-72**	**-324**	**-396**

31.12.2023	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial assets at fair value through profit or loss				
Trading derivatives	0	0	0	0
Derivatives used for hedging	0	63	0	63
Commodity contracts and embedded derivatives	0	0	184	184
Total	**0**	**63**	**184**	**247**
Financial liabilities at fair value through profit or loss				
Trading derivatives	0	0	0	0
Derivatives used for hedging	0	0	0	0
Commodity contracts and embedded derivatives	0	0	-328	-328
Total	**0**	**0**	**-328**	**-328**

The following table shows the changes in level 3 instruments.

2024	ASSETS	LIABILITIES
Balance 1 January	184	-328
Gain and losses recognised in profit or loss	-175	5
Sales of instruments	0	0
Currency translation differences	0	0
Balance 31 December	**9**	**-324**

The following table is presented in accordance with IFRS 13.94, showing the fair value of all commodity contracts in level 3 within the scope of IFRS 9 given a change in assumptions to a reasonably possible alternative.

FAIR VALUE OF DERIVATIVES IN LEVEL 3 GIVEN A REASONABLY POSSIBLE ALTERNATIVE		31.12.2024	31.12.2023
Assets			
Commodity contracts	Energy price -20%	0	39
Embedded derivatives	Energy price -20%	0	0
Total		**0**	**39**
Liabilities			
Commodity contracts	Energy price -20%	-482	-626
Embedded derivatives	Energy price -20%	-126	-79
Total		**-608**	**-705**

Norske Skog Bruck, control room
Photo: Carsten Dybevig

22. Financial instruments

Accounting policies

The group classifies its financial assets or liabilities in the following two categories: at fair value through profit or loss and at amortised cost. This classification depends on the purpose for which the financial asset or liability was acquired. Management determines the classification of its financial asset or liability at initial recognition and re-evaluates this designation at every reporting date.

a) Fair value through profit or loss

This category has two sub-categories: held for trading, and those designated at fair value through profit or loss at inception. A financial asset or liability is classified in this category if it was acquired principally for the purpose of short-term sale or if so designated by management. Derivatives are also categorised as held for trading unless designated as hedges. Assets or liabilities in this category are classified as current assets if they either are held for trading or are expected to be realised within 12 months of the balance sheet date.

Non-financial commodity contracts where the relevant commodity is readily convertible to cash, and where the contracts are not for own use, fall within the scope of IFRS 9 and such contracts are treated as derivatives. Embedded derivatives are separated from the host contract and accounted for as a derivative if the economic characteristics are not closely related to the economic characteristics and risk of the host contract. See Note 5 and 21 for more information. Commodity contracts within the scope of IFRS 9 are classified as current assets unless they are expected to be realised more than 12 months after the balance sheet date. In that case, they are classified as non-current assets.

b) Amortised cost

Amortised cost includes cash, loans, and receivables, and are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Items classified as amortised cost are current items maturing less than 12 months after the balance sheet date and are presented as Trade and other receivables or Cash and cash equivalents in the balance sheet. Items maturing later than 12 months after the balance sheet date are presented within other non-current assets.

CATEGORIES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

31.12.2024	NOTE	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	TOTAL FINANCIAL ASSETS	NON-FINANCIAL ASSETS	TOTAL
Other non-current assets	23	106	61	**167**	10	177
Trade and other receivables	23	0	718	**718**	535	1 253
Cash and cash equivalents	25	0	1 127	**1 127**	0	1 127
Other current assets	23	10	0	**10**	19	29

31.12.2024	NOTE	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	TOTAL FINANCIAL ASSETS	NON-FINANCIAL ASSETS	TOTAL
Interest-bearing non-current liabilities	29	0	4 475	**4 475**	0	4 475
Interest-bearing current liabilities	29	0	771	**771**	0	771
Other non-current liabilities	30	204	0	**204**	321	525
Trade and other payables	30	0	1 889	**1 889**	229	2 118
Other current liabilities	30	196	0	**196**	22	218

31.12.2023	NOTE	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	TOTAL FINANCIAL ASSETS	NON-FINANCIAL ASSETS	TOTAL
Other non-current assets	23	136	58	**194**	9	203
Trade and other receivables	23	0	1 090	**1 090**	545	1 635
Cash and cash equivalents	25	0	2 463	**2 463**	0	2 463
Other current assets	23	216	0	**216**	13	229

31.12.2023	NOTE	FAIR VALUE THROUGH PROFIT OR LOSS	AMORTISED COST	TOTAL FINANCIAL ASSETS	NON-FINANCIAL ASSETS	TOTAL
Interest-bearing non-current liabilities	29	0	4 536	**4 536**	0	4 536
Interest-bearing current liabilities	29	0	517	**517**	0	517
Other non-current liabilities	30	273	0	**273**	374	647
Trade and other payables	30	0	1 871	**1 871**	385	2 256
Other current liabilities	30	67	0	**67**	63	130

The group does not have any financial assets at fair value through other comprehensive income.

FAIR VALUE MEASUREMENT HIERARCHY FOR FINANCIAL ASSETS AND LIABILITIES

The table below classifies financial assets and liabilities instruments measured in the balance sheet at fair value, by valuation method. The different valuation methods are described as levels and are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability are not based on observable market data (i.e. unobservable inputs).

31.12.2024	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Derivatives	0	0	0	0	0
Commodity contracts	0	0	0	0	0
Miscellaneous other non-current assets	167	167	0	0	167
Other non-current assets	**167**	**167**	**0**	**0**	**167**
Trade receivables	422	422	0	0	422
VAT receivables	126	126	0	0	126
Other receivables	170	170	0	0	170
Trade and other receivables	**718**	**718**	**0**	**0**	**718**
Derivatives	1	1	0	0	1
Commodity contracts	9	9	0	1	8
Current investments	0	0	0	0	0
Other current assets	**10**	**10**	**0**	**1**	**9**
Cash and cash equivalents	**1 127**	**1 127**	**0**	**0**	**1 127**
Interest-bearing non-current liabilities	4 475	4 457	0	1 365	3 092
Interest-bearing current liabilities	771	771	0	0	771
Total interest-bearing liabilities	**5 246**	**5 229**	**0**	**1 365**	**3 864**
Derivatives	111	111	0	0	111
Commodity contracts	93	93	0	0	93
Other non-current liabilities	**204**	**204**	**0**	**0**	**204**
Trade payables	1 282	1 282	0	0	1 282
Other payables	607	607	0	0	607
Trade and other payables	**1 889**	**1 889**	**0**	**0**	**1 889**
Derivatives	87	87	0	0	87
Commodity contracts	105	105	0	72	33
Financial current liabilities	4	4	0	0	4
Other current liabilities	**196**	**196**	**0**	**72**	**123**

31.12.2023	CARRYING AMOUNT	FAIR VALUE	LEVEL 1	LEVEL 2	LEVEL 3
Derivatives	0	0	0	0	0
Commodity contracts	30	30	0	0	30
Miscellaneous other non-current assets	164	164	0	0	164
Other non-current assets	**194**	**194**	**0**	**0**	**194**
Trade receivable	536	536	0	0	536
VAT receivables	144	144	0	0	144
Other receivables	410	410	0	0	410
Trade and other receivables	**1 090**	**1 090**	**0**	**0**	**1 090**
Derivatives	63	63	0	0	63
Commodity contracts	153	153	0	63	91
Current investments	0	0	0	0	0
Other current assets	**216**	**216**	**0**	**63**	**216**
Cash and cash equivalents	**2 463**	**2 463**	**0**	**0**	**2 463**
Interest-bearing non-current liabilities	4 536	4 600	0	1 576	3 024
Interest-bearing current liabilities	517	517	0	0	517
Total interest-bearing liabilities	**5 053**	**5 117**	**0**	**1 576**	**3 542**
Derivatives	70	70	0	0	70
Commodity contracts	203	203	0	0	203
Other non-current liabilities	**273**	**273**	**0**	**0**	**273**
Trade payables	1 035	1 035	0	0	1 035
Other payables	836	836	0	0	836
Trade and other payables	**1 871**	**1 871**	**0**	**0**	**1 871**
Derivatives	9	9	0	0	9
Commodity contracts	47	47	0	0	47
Financial current liabilities	11	11	0	0	11
Other current liabilities	**67**	**67**	**0**	**0**	**67**

The fair value of bonds (interest-bearing non-current liabilities) (Level 2) is assessed by using price indications from banks at the reporting date. There is some uncertainty associated with the calculated fair value of Level 3 interest-bearing liabilities. The fair value calculation on other interest-bearing liabilities (Level 3) is based on acknowledged valuation principles according to IFRS but is not necessarily an estimate of the amount the group would have to cover if it were to repay all its debt to all lenders.

The fair values of cash and cash equivalents, trade receivables and other receivables, other assets, trade payables and other payables and other current liabilities remain largely consistent with the book value due to the short maturities of such positions. The fair value of derivatives and commodity contracts is described in Note 12.

23. Receivables and other non-current assets

Accounting policies
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are held to due date except for those that are covered by the factoring agreements outlined below. Trade receivables are recognised at invoiced amount, less provision for bad debt. The impairment model for financial assets under IFRS 9 require recognition of uncertain receivables allowances based on expected credit losses. The group has an expected credit loss model for trade receivables, whereby expected credit losses are recognized based on ageing categories of trade receivables that includes all receivables.

	NOTE	31.12.2024	31.12.2023
Trade and other receivables			
Trade receivables		474	588
Provision for bad debt		-52	-50
VAT receivables		126	144
Prepaid expenses		64	64
Other receivables		641	888
Total		**1 253**	**1 635**
Other current assets			
Derivatives		1	63
Commodity contracts		9	153
Other current assets		19	13
Total		**29**	**229**
Other non-current assets			
Long-term shareholdings	20	106	105
Commodity contracts		0	30
Pension plan assets	27	10	9
Other non-current receivables		61	58
Total		**177**	**203**

Norske Skog Bruck, Norske Skog Golbey, Norske Skog Skogn and Norske Skog Saugbrugs have factoring facility agreements where the future cash flow on certain trade receivables are sold. The facility has a limit of EUR 25 million for Norske Skog Bruck, a limit of EUR 40 million for Norske Skog Golbey and a combined limit of NOK 400 million for Norske Skog Skogn and Norske Skog Saugbrugs. There are no financial covenants in these factoring facility agreements. Trade receivables that have been sold are deducted from trade receivables in the balance sheet. The utilisation at 31 December 2024 was NOK 668 million (NOK 612 million).

At 31 December 2024 advances received from contracts with customers amounted to NOK 0 million (NOK 0 million) and other revenue accruals for invoice not sent amounted to NOK 0 million (NOK 0 million). In addition, received advances from customers not invoiced NOK 0 million at 31 December 2024 (NOK 0 million).

The credit risk on trade and other receivables is continuously monitored, independent of due date. The group's sales are mainly to large customers with a historically low degree of default. Collateral as security is not normally requested. Further information regarding the group's credit policy for sales is provided in Note 5.

AGEING OF THE GROUP'S CURRENT RECEIVABLES	31.12.2024	31.12.2023
Not due	1 094	1 500
0 to 3 months	166	140
3 to 6 months	0	4
Over 6 months	44	40
Total [1]	**1 305**	**1 684**

[1] *Does not include provision for bad debt.*

The maximum credit risk exposure at the year-end is the fair value of each class of receivable mentioned above.

24. Inventories

Accounting policies
Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average cost. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Other production materials include packaging materials, machine clothing, maintenance materials, operating materials and certain spare parts. Spare parts held as inventory are spare parts which do not meet the criteria for being classified as property, plant and equipment.

	31.12.2024	31.12.2023
Raw material	278	230
Work in progress	8	9
Other production materials	577	638
Finished goods	527	483
Total	**1 390**	**1 360**

25. Cash and cash equivalents

Accounting policies
Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less.

	31.12.2024	31.12.2023
Bank and other deposits	469	1 399
Restricted cash	255	643
Money market fund	404	421
Total	**1 127**	**2 463**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	NOTE	31.12.2024	31.12.2023
Bank and other deposits		469	1 399
Restricted cash		255	643
Money market fund		404	421
Cash and cash equivalents attributable to discontinued operations	26	50	0
Total		**1 177**	**2 463**

26. Discontinued operations

Accounting policies

The group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale. Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

The group includes proceeds from disposal in cash flows from discontinued operations.

Additional disclosures are provided below. All other notes to the financial statements include amounts for continuing operations, unless indicated otherwise.

In December 2024 a concrete sales process was initiated for the sale of Norske Skog Industries Australia Ltd with subsidiaries. The plan to sell was approved by the board on 20 December 2024. On 7 February 2025 an agreement to sell Norske Skog Industries Australia Ltd with subsidiaries was signed. The sale of Norske Skog Industries Australia Ltd. is expected to be completed within a year from the reporting date.

The business of Norske Skog Industries Australia Ltd with subsidiaries represented the segment publication paper Australasia. On 31 December 2024, publication paper Australasia was classified as a disposal group held for sale and as a discontinued operation.

Norske Skog has identified impairment indicators related to publication paper Australasia. An impairment of NOK 176 million was recognised.

With publication paper Australasia being classified as discontinued operations, the segment is no longer presented in the segment note. The financial information relating to publication paper Australasia for the year are presented below:

DISCONTINUED INCOME STATEMENT	NOTE	2024	2023
Operating revenue		1 855	1 894
Other operating income		9	72
Total operating income		**1 865**	**1 967**
Distribution costs		-247	-253
Cost of materials		-1 176	-1 152
Employee benefit expenses		-326	-320
Other operating expenses		-196	-162
Restructuring expenses		-11	-6
Depreciation	18	-37	-50
Impairments	18	-176	-62
Total operating expenses		**2 169**	**2 005**
Operating earnings		**-305**	**-38**
Financial income		5	6
Financial expense		-19	-16
Gains/(losses) on foreign currency		-2	-5
Profit/(loss) before income taxes		**-321**	**-54**
Income taxes		0	0
Profit/(loss) from discontinued operations		**-321**	**-54**

DISCONTINUED COMPREHENSIVE INCOME	2024	2023
Profit/(loss) from discontinued operations	**-321**	**-54**
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	-36	-62
Reclassified translation differences upon divestment of foreign operations	-7	5
Total	**-43**	**-57**
Other comprehensive income discontinued operations	**-43**	**-57**
Total comprehensive income discontinued operations	**-364**	**-111**
Earnings per share from discontinued operations		
Basic earnings per share (NOK)	-3.78	-0.64
Diluted earnings per share (NOK)	-3.78	-0.64

The major classes of assets and liabilities of publication paper Australasia classified as held for sale on 31 December are as follows:

DISCONTINUED BALANCE SHEET	NOTE	31.12.2024
Assets		
Deferred tax assets		0
Intangible assets	18	1
Property, plant and equipment	18	91
Shares in subsidiaries		0
Investment in associated companies		0
Other non-current assets		0
Inventories		242
Trade and other receivables		245
Other current assets		1
Cash and cash equivalents	25	50
Assets held for sale		**631**
Liabilities		
Employee benefit obligations		3
Deferred tax liability		0
Interest-bearing non-current liabilities		46
Other non-current liabilities		101
Trade and other payables		267
Interest-bearing current liabilities		12
Other current liabilities		33
Liabilities directly associated with assets held for sale		**462**
Net assets directly associated with assets held for sale		**169**

The net cash flows incurred by publication paper Australasia are as follows:

DISCONTINUED STATEMENT OF CASH FLOW	2024	2023
Cash generated from operations	1 922	1 966
Cash used in operations	-1 950	-1 994
Interest payments received	5	6
Interest payments made	-14	-12
Net cash flow from operating activities [1]	**-36**	**-34**
Purchases of property, plant and equipment and intangible assets	-33	-44
Sales of property, plant and equipment and intangible assets	0	66
Sales of shares in companies and other financial instruments	-91	0
Net cash flow from investing activities	**-124**	**22**
Repayments of loans	-29	-22
Change in cashpool payable	30	73
Net cash flow from financing activities	**1**	**51**
Foreign currency effects on cash and cash equivalents	-1	-2
Total change in cash and cash equivalents	**-160**	**38**
Cash and cash equivalents at start of period	**210**	**172**
Cash and cash equivalents at end of period	**50**	**210**

[1] Reconciliation of net cash flow from operating activities		
Profit/(loss) before income taxes from discontinued operations	-321	-54
Change in working capital	28	3
Change in restructuring provisions	0	-32
Depreciation and impairments	213	111
Gain and losses from divestment of business activities and property, plant and equipment	46	-52
Net financial items without cash effect	7	10
Adjustment for other items	-9	-19
Net cash flow from operating activities	**-36**	**-34**

Norske Skog Bruck, winder
Photo: Carsten Dybevig

27. Pension and other employee obligations

Accounting policies

Pension obligations

Group companies operate various pension schemes. These are generally funded through payments to insurance companies, as determined by periodic actuarial calculations. The group has both defined benefit and defined contribution plans.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past-service costs are recognised immediately in income.

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. These contributions are made to publicly- or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. These contributions are recognised as an employee benefit expense in the period the contribution is related to.

Other employee obligations

The groups other employee benefits are future benefits that the employees have earned in return for their service in current and prior periods.

The leave obligations cover the groups liabilities for long service leave and annual leave which are classified as either other non-current liabilities or short-term liabilities. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the income statement in the period in which they arise.

EMPLOYEE BENEFIT OBLIGATIONS	2024	2023
Pension obligations	281	258
Other long-term employee benefit obligations	15	36
Total employee benefit obligations	**296**	**294**

A) PENSION OBLIGATIONS

Norske Skog has various pension schemes in accordance with local conditions and practices in the countries in which the group operates. A total of 1 737 active and former employees are covered by such schemes. Of these, 503 people are covered by defined benefit plans and 1 234 people by defined contribution plans.

DESCRIPTION OF THE DEFINED BENEFIT PLANS

The key terms in Norske Skog's major defined benefit plans are shown in the table below.

	BENEFIT IN% OF PENSIONABLE EARNINGS	YEARS OF SERVICE	PENSIONABLE AGE	EARLY RETIREMENT AGE	ACTIVE MEMBERS
Norske Skog ASA	65	30	70	62	0
Norske Skog Saugbrugs AS	65	30	70	62	12
Norske Skog Skogn AS	65	30	70	62	17
Norske Skog Golbey SAS	0	43	64	60	370

The defined benefit plan in Norske Skog Bruck GmbH and Norske Skog Deutschland GmbH is closed.

The defined benefit schemes in Norway cover people between 66 and 67 years of age, born before 1 January 1959 and who were employed before 1 January 2011 when the plan was closed. The defined benefit obligations in Norway only encompass active members since they leave the defined benefit scheme (having a paid-up policy) when they retire.

Plan assets of the pension schemes in Norske Skog ASA, Norske Skog Saugbrugs AS and Norske Skog Skogn AS are managed by a life insurance company and invested in accordance with the general guidelines governing investments by life insurance companies in Norway.

When evaluating plan assets, it is based on the assumptions as at 31 December. This estimated value is adjusted every year in accordance with the figures for the market value of the assets provided by the insurance company.

When measuring the incurred obligations, it is based on the assumptions as at 31 December. This estimated obligation is adjusted every year in accordance with the figures for incurred pension obligations provided by the actuary.

In addition to the benefit obligation funded through insurance plans, the group has unfunded benefit obligations. The unfunded obligations include estimated future obligations relating to the former Norwegian early retirement scheme and pensions for senior management and directors. Obligations relating to senior management pensions are partly funded through a supplementary retirement plan with a life insurance company.

In addition to defined benefit plans, there are also various defined contribution plans. Norwegian entities have a defined contribution scheme with a contribution of 5% for earnings up to 7.1 G and 17% between 7.1 and 12 G.

ASSUMPTIONS MADE WHEN CALCULATING FUTURE BENEFIT OBLIGATIONS	2024	2023
Discount rate	3.07%	3.70%
Expected return on plan assets	3.03%	3.70%
Salary adjustment	3.25%	3.00%
Inflation rate	2.90%	2.40%
Pension adjustment	2.08%	3.00%

The discount rate applied for the pension schemes in Norway for 2024 is based on the interest rate for covered bonds. Subsidiaries can deviate from these assumptions if local conditions require this. The discount rates applied vary from 1.80% to 3.50% and pension adjustments vary from 1.9% to 2.7%. Norske Skog has used the mortality table K2013BE in Norway, Richttafeln 2018G in Germany and AVO 2018-P in Austria.

NET PERIODIC PENSION EXPENSE	2024	2023
Pension expense, defined benefit plan	21	1
Pension expense, defined contribution plan	42	44
Net periodic pension expense	**63**	**45**
Net periodic interest expense	**10**	**7**

High expense for defined benefit pension in 2024 is due to corrections of prior periods.

Estimated payments to the group’s defined benefit pension schemes in 2024 amounts to NOK 6 million (NOK 8 million).

PENSION PLANS IN THE BALANCE SHEET

SPESIFICATION OF PENSION PLANS IN THE BALANCE SHEET	2024	2023
Pension assets in the balance sheet	10	9
Pension liabilities in the balance sheet	-281	-258
Net pension obligations	**-272**	**-249**
Net unfunded pension plans	-275	-255
Net partly or fully funded pension plans	9	5

Pension assets is included in line other non-current assets and pension liabilities is included in the line employee benefit obligations.

UNFUNDED PENSION PLANS

CHANGES IN PENSION OBLIGATIONS FOR UNFUNDED PENSION PLANS, PROJECTED BENEFIT OBLIGATIONS INCLUDING NATIONAL INSURANCE CONTRIBUTIONS	2024	2023
Balance 1 January	**-255**	**-110**
Adjustment to opening balance (due to reclassification)	-3	-132
Current year's service cost	-4	-8
Current year's interest cost	-10	-4
Pensions benefits paid	24	18
Remeasurements (loss)/gain OCI	-14	-3
Other changes	-1	0
Currency translation differences	-13	-17
Balance 31 December	**-275**	**-255**

PARTLY OR FULLY FUNDED PENSION PLANS

CHANGES IN PENSION OBLIGATIONS FOR PARTLY OR FULLY FUNDED PENSION PLANS, PROJECTED BENEFIT OBLIGATIONS INCLUDING NATIONAL INSURANCE CONTRIBUTIONS	2024	2023
Balance 1 January	**-106**	**-104**
Current year's service cost	-1	-1
Current year's interest cost	-4	-3
Pension benefits paid	5	5
Remeasurements (loss)/gain OCI	2	-2
Other changes	-2	0
Balance 31 December	**-105**	**-106**

CHANGES IN PLAN ASSETS FOR PARTLY OR FULLY FUNDED PENSION PLANS, PLAN ASSETS AT FAIR VALUE	2024	2023
Balance 1 January	**111**	**111**
Return on plan assets (interest income)	4	3
Employer contribution including payroll tax	4	4
Pension benefits paid	-5	-4
Remeasurements (loss)/gain OCI	0	-5
Balance 31 December	**114**	**111**
Net assets/obligations (-) partly or fully funded pension plans	**9**	**5**

SPECIFICATION OF REMEASUREMENT GAINS/LOSSES IN OTHER COMPREHENSIVE INCOME (OCI)	2024	2023
Actuarial loss/(gain) - change in discount rate	0	-5
Actuarial loss/(gain) - change in other financial assumptions	9	7
Actuarial loss/(gain) - experience obligation	0	4
Actuarial loss/(gain) - experience assets	4	2
Investment management cost	0	1
Asset ceiling - asset adjustment	1	-1
Remeasurements loss/(gain) in OCI	**14**	**8**

INVESTMENT PROFILE FOR PENSION FUNDS	2024 FUNDS	2024 DISTRIBUTION	2023 FUNDS	2023 DISTRIBUTION
Shares	16	14%	5	5%
Bonds	77	68%	74	67%
Properties and real estate	17	15%	15	14%
Money market	1	1%	16	14%
Other	3	3%	0	0%
Total	**114**	**100%**	**111**	**100%**

SENSITIVITY ANALYSIS

Norske Skog has performed sensitivity analyses of material group companies for the most important assumptions related to defined benefit schemes to predict how fluctuations will impact pension liabilities in the consolidated balance sheet. In relation to the assumptions made in the calculation of pension obligations the amount is most sensitive to changes in discount rate, salary adjustment and pension growth rate. The sensitivity of the pension obligation is shown in the table below:

SENSITIVITY	INCREASE	DECREASE
Discount rate - 0.5%	-5	6
Future national security - 1.0%	-5	1
Future pension - 0.5%	4	-

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. No data is available for decrease of future pension adjustment. The sensitivity analysis is based on actuarial calculations for the Norwegian schemes.

OTHER EMPLOYEE OBLIGATIONS

NET PERIODIC EXPENSE	2024	2023
Net periodic expense/remeasurement	**-14**	**-1**
Net periodic interest expense	**1**	**1**

CHANGES IN OTHER EMPLOYEE BENEFITS	2024	2023
Balance 1 January	**-70**	**-203**
Adjustments to opening balance due to reclassification	-2	131
Current year's service cost	-1	-7
Current year's interest cost	-1	-1
Remeasurements (loss)/gain	15	2
Payments made	4	15
Other changes	0	-4
Discontinued operations	37	0
Currency translation differences	-2	-4
Balance 31 December	**-15**	**-70**

OTHER EMPLOYEE BENEFITS IN THE BALANCE SHEET	2024	2023
Other non-current employee benefit obligations	15	36
Other current employee benefit obligations	0	34
Total other employee benefits 31 December	**15**	**70**

The obligation classified as current relates to employees that have completed the required period of service and the group does not have an unconditional right to defer settlement for these obligations. Based on previous experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The current part is included in the balance sheet line other current liabilities. The non-current employee benefit obligations is included in the balance sheet line employee benefit obligations.

28. Provisions

Accounting policies

Provisions for environmental restoration, dismantling costs, restructuring activities and legal claims are recognised when the group has a present legal or constructive obligation as a result of past events, an outflow of resources is more likely than not to be required to settle the obligation and the amount can be reliably estimated.

Where a number of similar obligations exist, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the best estimate of the expenditure required to settle the present obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised within financial items.

	RESTRUCTURING PROVISION	ENVIRONMENTAL PROVISION
Balance 1 January 2023	**43**	**168**
Changes and new provisions	39	-6
Utilised during the year	-55	-2
Periodic unwinding of discount	0	5
Currency translation differences	2	5
Balance 31 December 2023	**29**	**169**
Changes and new provisions	16	7
Utilised during the year	-23	0
Classified as liabilities relating to assets held for sale	-8	-143
Currency translation differences	-7	1
Balance 31 December 2024	**7**	**34**

RESTRUCTURING PROVISION

Restructuring provision is included in the balance sheet line other current liabilities. This includes for example severance (redundancy) payments, early retirement or other arrangements for employees leaving the company, external costs to lawyers and legal advisors in relation to the restructuring process, lease termination costs and onerous contracts. The restructuring provision of NOK 7 million at 31 December 2024 includes various restructuring activities included provision for severance payments and other costs (Corporate functions NOK 0 million (NOK 14 million), publication paper Europe NOK 7 million (NOK 8 million). The amount expensed in 2024 in relation to restructuring activities amounted to NOK 16 million (Corporate functions NOK 4 million (NOK 28 million), and publication paper Europe NOK 12 (NOK 5 million).

ENVIRONMENTAL PROVISION

The group's provision for environmental obligations is presented in the balance sheet as other non-current liabilities. The provision is related to estimated future costs for cleaning up any environmental pollution caused by Norske Skog production units. The provision will mainly be realised in a future period upon a potential shut down of the production activities of any of the Norske Skog production units. Increased environmental requirements from local governments may also lead to realisation of this provision at an earlier point in time.

Provisions for future environmental obligations amounted to NOK 34 million at 31 December 2024 compared to NOK 169 million at 31 December 2023. The decrease mainly relates to former segment publication paper Australasia not being a part of the provision obligation at year end, due to the segment being classified as held for sale in 2024. Resources spent on environmental activities during 2024 was NOK 0 million (NOK 0 million).

The carrying value of the provision is the best estimate made by measuring the expected value of the specific obligations, discounted to present value using a long-term risk-free interest rate when the time value of money is material. Changes in factors included in the expected value will impact the carrying value of the obligation. To illustrate the sensitivity, a reduction in the future discount rate by one percentage point would increase the provision by approximately NOK 1 million. Changes in accounting estimates not related to assets are classified as operating items in the income statement, and the periodic unwinding of the discount is recognised within the income statement line financial expenses.

DISMANTLING PROVISION

Provisions related to future dismantling costs arising from a future closing down of production facilities amounted to NOK 0 million at 31 December 2024, and NOK 0 million at 31 December 2023.

The total amount is normally classified as non-current and will only be realised at the time of a future shut down of any of the Norske Skog production units. The provision is the net present value of the future estimated costs, calculated using a long-term risk-free interest rate. The periodic unwinding of the discount is recognised in the income statement line financial expenses. The opposite entry for dismantling provision and change in provision estimates is property, plant and equipment.

CONTINGENT LIABILITIES

Norske Skog is an international company that, through its ongoing business operations, will be exposed to litigation and claims from public authorities and contracting parties as well as assessments from public authorities in each country it operates.

Norske Skog Saugbrugs, supercalender section
Photo: Carsten Dybevig

29. Interest-bearing liabilities

Accounting policies

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest method.

INTEREST-BEARING DEBT, OUTSTANDING AMOUNTS	31.12.2024	31.12.2023
Bonds	1 400	1 530
Debt to financial institutions	3 752	3 448
Factoring facilities	27	0
Total	**5 179**	**4 978**

INTEREST-BEARING DEBT, OUTSTANDING AMOUNTS	CURRENCY AMOUNT 31.12.2024	NOK 31.12.2024	NOK 31.12.2023
EUR	273	3 214	4 898
AUD	0	0	15
Total interest-bearing debt in foreign currencies		**3 214**	**4 913**
NOK		1 964	65
Total interest-bearing debt		**5 179**	**4 978**

Norske Skog issued a NOK 1 600 million senior unsecured bond in June 2024 to refinance its existing EUR 150 million senior secured bond. The bond matures in June 2029 and has an interest rate of NIBOR (zero floor) + 4.5% with quarterly interest payments. On 31 December 2024, Norske Skog had an issued and outstanding amount of NOK 1 400 million under the bond agreement.

In September 2024, Norske Skog Skogn issued a NOK 500 million loan with a three-year maturity but option to extend for additional two years. The issue resulted in the termination of the existing EUR 31 million Revolving Credit Facility which was undrawn the time. On 31 December 2024, the new loan was fully drawn.

Norske Skog has entered into credit facility agreements in an aggregate amount of EUR 265 million to finance its investment to convert two paper machines into producing packaging paper. EUR 193 million relates to Norske Skog Golbey and EUR 72 million relates to Norske Skog Bruck. The borrowing entities are Norske Skog Golbey SAS and Norske Skog Bruck GmbH, and the facilities are fully guaranteed by Norske Skog ASA. The facilities in Norske Skog Bruck have been fully drawn and repayment has commenced. The facilities at Norske Skog Golbey have been drawn upon as capital expenditures have been incurred. On 31 December 2024, the credit facilities had been drawn by approximately EUR 228 million (EUR 250 million). The facilities follow different repayment profiles ending during the period from 2027 to 2032.

The incineration boiler is financed by a EUR 54 million credit facility. The facility is repaid in quarterly instalments up until the final maturity date in 2028. The borrower under the facility is Norske Skog Bruck GmbH and Norske Skog ASA has provided a guarantee of EUR 20 million. At 31 December 2024, the outstanding amount under the credit facility was approximately EUR 35 million (EUR 43 million).

The financial covenants applicable to Norske Skog on a consolidated basis are (i) freely available and unrestricted cash and cash equivalents of minimum NOK 100 million, (ii) EBITDA to net interest costs of minimum 2.0:1, (iii) book equity to total assets of minimum 25%, and (iv) minimum last twelve months (LTM) EBITDA of NOK 400 million. In addition, there are various company specific financial covenants applicable to the subsidiaries acting as borrowers under the respective credit facilities.

The EBITDA used in the calculation of financial covenants may differ from the EBITDA shown in the financial reporting due to adjustment requirements in the facility agreements.

The remaining financing arrangements for the group includes leasing, factoring, and other credit facilities in the mill owning entities.

Norske Skog Skogn AS and Norske Skog Saugbrugs AS have pledged its trade receivables in favour of its factoring provider. In addition, Norske Skog Skogn AS and Norske Skog Saugbrugs AS have pledged certain parts of its property and assets in favour of the NOK 500 million loan agreement at Norske Skog Skogn AS. Saugbrugs Bioenergi AS, a wholly owned subsidiary of Norske Skog Saugbrugs AS, has pledged certain parts of its property and assets in favour of the lenders under a credit facility financing its biogas facility. Norske Skog Golbey SAS has pledged certain parts of its property, in an amount of up to EUR 13 million, in favour of a bank guarantor under a guarantee to one of its energy suppliers. In addition, Norske Skog Golbey SAS has pledged certain parts of its property and assets and Norske Skog ASA has pledged the shares in Norske Skog Golbey SAS in favour of the lenders under the packaging conversion facilities. Norske Skog Bruck GmbH has pledged certain parts of its property and assets in favour of the lenders under the incineration boiler facility and the packaging conversion facilities.

The average interest rate on 31 December 2024 was 6.2% (5.8%).

SCHEDULED REPAYMENTS OF THE GROUP'S FINANCIAL DEBT AND INTEREST AT 31.12.2024	INTEREST	OTHER LOANS[1]	BONDS	TOTAL
2025	322	749	0	1 071
2026	279	616	0	895
2027	242	958	0	1 200
2028	189	638	0	827
2029	100	289	1 400	1 789
2030	22	282	0	304
2031	7	243	0	250
2032 ->	0	4	0	4
Total	**1 161**	**3 779**	**1 400**	**6 340**

SCHEDULED REPAYMENTS OF THE GROUP'S FINANCIAL DEBT AND INTEREST AT 31.12.2023	INTEREST	OTHER LOANS[1]	BONDS	TOTAL
2024	314	483	0	797
2025	301	561	0	861
2026	129	528	1 530	2 186
2027	72	520	0	591
2028	49	596	0	645
2029	28	258	0	287
2030	18	258	0	275
2031	7	236	0	243
2032	1	9	0	10
2033 ->	1	0	0	1
Total	**917**	**3 448**	**1 530**	**5 895**

[1] *Including full instalments for the EUR 54 million credit facility*

The debt amounts set out above may differ from the carrying value in the balance sheet due to the amortized cost principle and exclusion of debt items related to leases. On 31 December 2024, the financial statements included amortized cost in an amount of NOK 24 million (NOK 13 million), and the amount of interest-bearing debt related to leases was NOK 92 million (NOK 89 million). See Note 19.

Trade payables amounted to NOK 1 282 million on 31 December 2024 (NOK 1 035 million).

Drawn amounts from factoring arrangements is classified as interest-bearing current liabilities. This amounts to NOK 27 million (NOK -11 million) in scheduled repayments in 2025. The financed amount represents a group of individual loans, which are settled individually at maturity of the trade receivable. New loans are initiated on a consecutive basis based on new trade receivable included under the factoring agreement. The liability is in its nature current and Norske Skog does not have an unconditional right to defer settlement beyond twelve months. The liabilities are liabilities that are settled through its normal operating cycle. The corresponding trade receivable is derecognised when the customer pays it.

On 31 December 2024, Norske Skog ASA and its subsidiaries had issued bank guarantees on its behalf in an amount of NOK 282 million (NOK 192 million).

Norske Skog Skogn AS and Norske Skog Saugbrugs AS have pledged certain parts of its assets and machinery, in an amount of up to NOK 200 million, to its energy suppliers under long term energy supply agreements. The security has priority behind the NOK 500 million loan at Norske Skog Skogn AS.

INTEREST-BEARING NON-CURRENT LIABILITIES	NOTE	31.12.2024	31.12.2023
Bond (amortised cost)		1 376	1 517
Debt to financial institutions		3 029	2 964
Leasing obligations	19	70	55
Total	22	**4 475**	**4 536**

INTEREST-BEARING CURRENT LIABILITIES	NOTE	31.12.2024	31.12.2023
Debt to financial institutions and bond (amortised cost)		749	484
Leasing obligations related to right-of-use assets	19	22	33
Total	22	**771**	**517**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	2024	2023
Balance 1 January	5 053	3 742
New loans raised	1 981	1 366
Repayments	-2 086	-346
New leasing debt	107	55
Loss early repayment of bond and amortization of transaction costs debt issuance	49	7
Liabilities relating to assets classified as held for sale	-58	0
Currency translation differences	199	229
Balance 31 December	**5 246**	**5 053**
Current	771	517
Non-current	4 475	4 536

30. Trade and other payables, other current and non-current liabilities

Accounting policies

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value.

	2024	2023
Trade and other payables		
Trade Payables	1 282	1 035
Accrued labour cost and taxes	331	500
Accrued expenses	485	689
Other interest-free liabilities	20	32
Total	**2 118**	**2 256**
Other current liabilities		
Other current employee benefits	0	34
Restructuring provision	7	29
Accrued financial expenses	4	11
Derivatives	87	9
Commodity contracts	105	47
Other current liabilities	15	0
Total	**218**	**130**
Other non-current liabilities		
Derivatives	111	70
Commodity contracts	93	203
Environmental provision	34	169
Deferred recognition of government grants	287	205
Total	**525**	**647**

31. Related parties

Investor AS and subsidiaries Drangsland Kapital AS and Byggma ASA are related parties to Norske Skog through the ownership in Norske Skog ASA and the CEO Geir Drangsland being the ultimate owner for these companies.

Balances and transactions between the group and subsidiaries listed in Note 20 have been eliminated on consolidation and are not disclosed in this note.

Remuneration for corporate management is presented in Note 10. Remuneration for leading personnel is presented in the remuneration report available at www.norskeskog.com.

Any transactions with related parties are conducted on normal commercial terms. There have not been any transactions with related parties in 2024.

32. Events after the balance sheet date

There have been no events after the balance sheet date with significant impact on the financial statements for 2024.

On 31 January 2025 Norske Skog Saugbrugs and its insurance company has agreed on a final settlement of all remaining insurance claims related to the rockslide at the Saugbrugs industrial site on 27 April 2023. The settlement of NOK 540 million will be jointly covered by the insurance company, The Norwegian Natural Perils Pool and the reinsurers. Payment of the full settlement amount is expected during the first quarter of 2025 and will thus be recognised in EBITDA in the first quarter of 2025.

On 7 February 2025 Norske Skog signed an agreement with Boyer Capital Pty Ltd to sell Norske Skog Industries Australia Ltd with its subsidiaries, mainly the Norske Skog Boyer mill. The sale is expected to be completed in 2025.

Photo: Carsten Dybevig

Norske Skog Bruck, wood yard
Photo: Carsten Dybevig

Financial statements Norske Skog ASA

Financial statements

Notes to the financial statements

INCOME STATEMENT

NOK MILLION	NOTE	2024	2023
Total operating income	3	**90**	**116**
Employee benefit expenses	4	-70	-97
Other operating expenses		-62	-62
Restructuring expenses		-4	-28
Depreciation	8	-6	-6
Derivatives and other fair value adjustment	5	-8	0
Total operating expenses		**-150**	**-193**
Operating earnings		**-60**	**-77**
Share of profit in associated companies	6	-74	-15
Financial income	7	1 003	1 130
Financial expense	7	-982	-288
Gains/(losses) on foreign currency	7	-174	-74
Profit/(loss) before tax		**-287**	**676**
Income tax	8	-145	174
Profit/(loss) after tax		**-432**	**851**

STATEMENT OF COMPREHENSIVE INCOME

NOK MILLION	2024	2023
Profit/(loss) after tax	**-432**	**851**
Items that will not be reclassified subsequently to profit or loss		
Remeasurements of post employment benefit obligations	0	-1
Tax effect on remeasurements of post employment benefit obligations	0	0
Other comprehensive income	**0**	**0**
Total comprehensive income	**-432**	**850**

BALANCE SHEET

NOK MILLION	NOTE	2024	2023
Deferred tax assets	8	49	193
Intangible assets	9	5	6
Property, plant and equipment	9	15	4
Shares in subsidiaries	10	4 657	5 163
Investment in associated companies	6	0	74
Other non-current assets		8	12
Total non-current assets		**4 734**	**5 451**
Trade and other receivables		78	69
Intercompany receivables	13	811	820
Other current assets		1	63
Cash and cash equivalents		812	1 642
Total current assets		**1 701**	**2 594**
Total assets		**6 435**	**8 045**
Paid-in-equity		4 001	4 001
Retained earnings and other reserves		61	493
Total equity	11	**4 062**	**4 494**
Employee benefit obligations	4	4	0
Interest-bearing non-current liabilities	12	1 381	1 517
Total non-current liabilities		**1 385**	**1 517**
Trade payables		4	7
Intercompany liabilities	13	896	1 964
Other current liabilities		88	63
Total current liabilities		**988**	**2 035**
Total liabilities		**2 373**	**3 552**
Total equity and liabilities		**6 435**	**8 045**

SKØYEN, 18 MARCH 2025
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA

Arvid Grundekjøn
Chair

Trine-Marie Hagen
Board member

Terje Sagbakken
Board member

Christoffer Bull
Board member

Tone Wille
Board member

Geir Drangsland
CEO

STATEMENT OF CASH FLOWS

NOK MILLION	NOTE	2024	2023
Cash generated from operations		81	104
Cash used in operations		-181	-334
Cash flow from currency hedges and financial items		-11	28
Interest payments received		128	152
Interest payments made		-216	-214
Tax paid	8	-1	-1
Net cash flow from operating activities		**-200**	**-264**
Purchases equipment and intangible assets	9	-10	-3
Contributions of equity to subsidiary	10	-118	-652
Change in cashpool receivables		-48	548
Net cash flow from investing activities		**-175**	**-107**
New loans raised		1 377	0
Repayments of loans		-1 593	-37
Dividend paid		0	-57
Purchase/sale of treasury shares		0	-415
Change in cashpool payable		-264	510
Net cash flow from financing activities		**-481**	**1**
Foreign currency effects on cash and cash equivalents		27	0
Total change in cash and cash equivalents		**-830**	**-369**
Cash and cash equivalents 1 January		1 642	2 011
Cash and cash equivalents 31 December[1)]		812	1 642
[1)] Whereof restricted cash		147	452

STATEMENT OF CHANGES IN EQUITY

NOK MILLION	NOTE	SHARE CAPITAL	SHARE PREMIUM	OTHER PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL EQUITY
Equity 1 January 2023		**377**	**1 412**	**2 249**	**77**	**4 115**
Change in paid-in capital		-38	0	0	-377	-415
Profit after tax		0	0	0	851	851
Other comprehensive income		0	0	0	0	0
Dividends paid		0	0	0	-57	-57
Equity 31 December 2023		**339**	**1 412**	**2 249**	**493**	**4 494**
Profit after tax		0	0	0	-432	-432
Other comprehensive income		0	0	0	0	0
Equity 31 December 2024	11	**339**	**1 412**	**2 249**	**61**	**4 062**

Notes to the financial statements

1. General information

All amounts are presented in NOK million unless otherwise stated. There may be some small differences in the summation of columns due to rounding.

The financial statements were authorised for issue by the board of directors on 18 March 2025.

2. Accounting policies

The financial statements for Norske Skog ASA have been prepared and presented in accordance with simplified IFRS pursuant to section 3-9 of the Norwegian Accounting Act.

3. Operating revenue by geographical market

Accounting policies
Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company's operating revenue consists mainly of the sale of services to other entities in the group. Operating revenue arising from sales of internal services to other entities in the group amounted to NOK 89 million in 2024 (NOK 112 million).

OPERATING REVENUE BY GEOGRAPHICAL MARKET	2024	2023
Norway	37	45
Europe excluding Norway	45	60
Australasia	7	12
Total	**90**	**116**

4. Employee benefits and pensions

EMPLOYEE BENEFIT EXPENSES	2024	2023
Salaries including holiday pay	36	75
Social security contributions	11	16
Pension expenses	20	3
Other employee benefit expenses	3	3
Total	**70**	**97**

The company is required by law to have a pension scheme for all employees. The company's pension plan is compliant with the requirements in the Norwegian Act relating to mandatory occupational pension. See also Note 27 Pension and other employee obligations in the consolidated financial statements for further information.

High expense for defined benefit pension in 2024 is due to corrections of prior periods.

NUMBER OF EMPLOYEES	31.12.2024	31.12.2023
Employees	23	26

NET PERIODIC PENSION EXPENSES	2024	2023
Pension expenses, defined benefit plan	18	0
Pension expenses, defined contribution plan	2	3
Net periodic pension expenses	**20**	**3**
Net periodic interest expenses	**0**	**0**

PENSION ASSETS IN THE BALANCE SHEET	31.12.2024	31.12.2023
Net pension assets/(liabilities) in the balance sheet	**0**	**0**

PENSION OBLIGATION IN THE BALANCE SHEET	31.12.2024	31.12.2023
Projected benefit obligation	-8	-9
Plan assets at fair value	8	8
Net pension obligations in the balance sheet	**0**	**0**

SENSITIVITY ANALYSIS AT 31 DECEMBER 2024	Increase	Decrease
Discount rate -0.5%	0	1
Salary adjustment -0.5%	0	0

5. Derivatives and other fair value adjustment

Accounting policies
Financial energy derivative contracts are accounted for at fair value using quoted prices. Realised gains/(losses) and value changes in contracts are presented in the income statement under derivatives and other fair value adjustment.

The energy trading is to financial hedge the groups energy costs.

DERIVATIVES AND OTHER FAIR VALUE ADJUSTMENT	2024	2023
Change in value in financial energy contracts	-1	0
Realised gains/(losses) on energy contracts	-7	0
Total	**-8**	**0**

6. Associated companies

Accounting policies
Investment in associated companies are accounted for in accordance with the equity method. The investment is initially recognized at cost, and the carrying value is increased or decreased to recognise the company's share of the profit or loss of the investee after the date of acquisition.

Norske Skog holds a 26% share of Circa Group AS that has been suspended from trading on Euronext Growth following its filed petition for bankruptcy on 7 October 2024. An impairment has been made to the shares to the reflect the market value of nil. Total loss in 2024 amounts to NOK 74 million.

7. Financial items

Accounting policies
Dividend income is recognised when the right to receive payment is established, which is generally when the shareholders approve the dividend.

Interest income is recognised using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, using the effective interest method.

FINANCIAL ITEMS	2024	2023
Financial income		
Dividends received	875	978
Interest income	73	94
Interest income from group companies	55	58
Total	**1 003**	**1 130**
Financial expenses		
Interest expense	-139	-148
Interest expense group companies	-70	-73
Other financial expenses	-149	-27
Impairment of investments in subsidiaries	-624	-39
Total	**-982**	**-288**
Gains/(losses) on foreign currency	**-174**	**-74**
Total financial items	**-154**	**768**

In 2024 dividends of NOK 373 million (NOK 500 million) and NOK 502 million (NOK 478 million) have been received from Norske Skog Saugbrugs AS and Norske Skog Skogn AS, respectively.

For 2024 other financial expenses includes provision for bad debt regarding the subsidiary Norske Skog Industries Australia Ltd.[1)] NOK 86 million and cost regarding refinancing of the EUR 150 million senior bond NOK 43 million. In 2023 other financial expenses includes write-down of other shares of NOK 16 million.

[1)] *See Note 32 Events after the balance sheet date in the consolidated financial statements.*

8. Income taxes

Accounting policies
Income taxes includes current tax based on taxable profit and changes in deferred tax. Deferred tax is provided in full, using the liability method, on temporary differences arising between the carrying amount of assets and liabilities.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available to utilise it.

TAX EXPENSE	2024	2023
Current tax expense	-1	-1
Change in deferred tax	-143	175
Total	**-145**	**174**

INCOME TAX RECONCILIATION	2024	2023
Profit/(loss) before income taxes	**-287**	**676**
Computed tax at nominal tax rate 22%	63	-149
Non taxable income/non deductible expenses	-17	14
Dividend	0	198
Impairment of investments in subsidiaries	-138	-12
Adjustment previous years	0	-5
Other items	-16	-3
Deferred tax assets not recognised	-35	132
Withholding tax	-1	-1
Total tax (expense)/income	**-145**	**174**

TEMPORARY DIFFERENCES AND TAX LOSSES - DETAILS	31.12.2024	31.12.2023
Other non-current items	2	8
Pensions	4	0
Translation differences and financial instruments	0	120
Current items	-4	9
Group contribution	225	877
Tax losses to carry forward	590	550
Tax losses and other Deferred Tax Assets not recognised	-1 003	-845
Tax credits	24	15
Interest carry forward (Interest limitation rules)	315	205
Financial instruments	71	-63
Basis for deferred tax	**225**	**877**

DEFERRED TAX	31.12.2024	31.12.2023
Net deferred tax asset/(liability)	**49**	**193**

[1)] *The value of tax losses and other tax credits are partly written down, subsequently the tax losses are lower than total tax benefits not recognised.*

9. Intangible assets and property, plant and equipment

Accounting policies
Intangible assets and property, plant and equipment are shown at historical cost less subsequent depreciation and impairments. Historical cost includes expenditure directly attributable to the acquisition of the items.

The right to use an asset is recognised in the balance sheet during the lease term, together with the liability to make lease payments. At initial recognition the leased asset is measured at an amount equal to the lease liability.

INTANGIBLE ASSETS	LICENCES AND PATENTS
Acquisition cost 1 January 2023	**34**
Addition	2
Acquisition cost 31 December 2023	**36**
Accumulated depreciation and impairments 1 January 2023	**27**
Depreciation	3
Accumulated depreciation and impairments 31 December 2023	**30**
Carrying value 31 December 2023	**6**
Acquisition cost 1 January 2024	**36**
Addition	2
Acquisition cost 31 December 2024	**38**
Accumulated depreciation and impairments 1 January 2024	**30**
Depreciation	3
Accumulated depreciation and impairments 31 December 2024	**33**
Carrying value 31 December 2024	**5**

Licenses, patents and other intangible assets are depreciated on a straight-line basis over a period from three to five years.

Other intangible assets consist mainly of capitalised development costs relating to customising of software.

PROPERTY, PLANT AND EQUIPMENT	FIXTURES AND FITTINGS	PLANT UNDER CONSTRUCTION	RIGHT-OF-USE ASSETS	TOTAL
Acquisition cost 1 January 2023	**1**	**1**	**14**	**17**
Addition	0	1	0	1
Acquisition cost 31 December 2023	**1**	**2**	**14**	**17**
Accumulated depreciation and impairments 1 January 2023	**1**	**0**	**9**	**11**
Depreciation	0	0	3	3
Accumulated depreciation and impairments 31 December 2023	**1**	**0**	**12**	**14**
Carrying value 31 December 2023	**0**	**2**	**2**	**4**
Acquisition cost 1 January 2024	**1**	**2**	**14**	**17**
Addition	0	7	6	14
Disposals	0	0	-14	-14
Acquisition cost 31 December 2024	**1**	**9**	**6**	**17**
Accumulated depreciation and impairments 1 January 2024	**1**	**0**	**12**	**14**
Depreciation	0	0	3	3
Disposals	0	0	-14	-14
Accumulated depreciation and impairments 31 December 2024	**1**	**0**	**1**	**3**
Carrying value 31 December 2024	**0**	**9**	**5**	**15**

Fixtures and fittings and right of use assets are depreciated on a linear basis over a period from three to five years.

10. Shares in subsidiaries

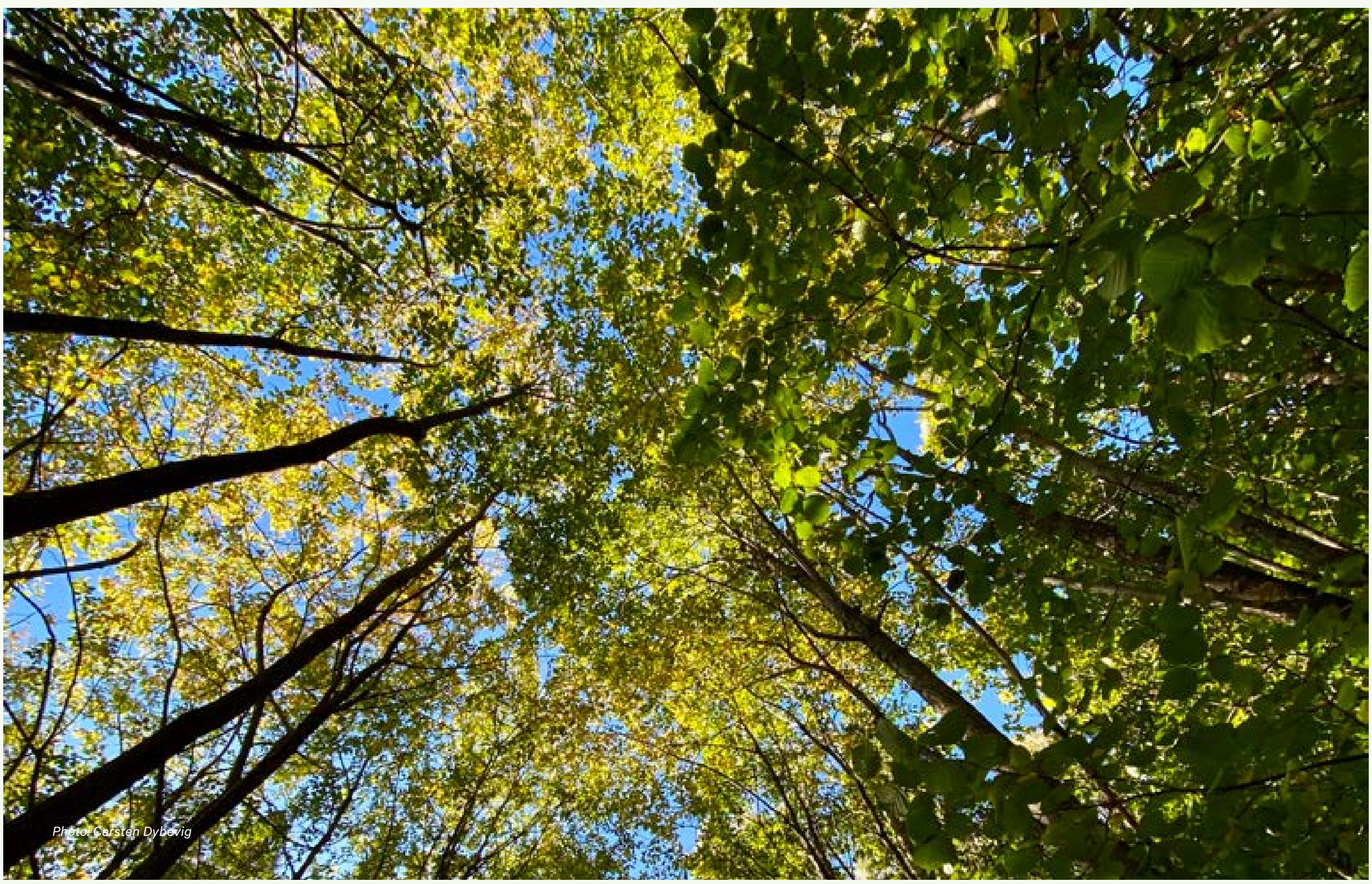
Accounting policies

Shares in subsidiaries are recognised at lower of cost and net-realisable value.

Investments in subsidiaries are tested for impairment in accordance with IAS 36 *Impairment of assets*. Shares are reviewed for impairment if changes in circumstances indicate that the carrying amount is higher than the fair value of the investment. Impairment loss is reversed if the impairment situation no longer exists. For impairment testing purposes, investments in subsidiaries are grouped in the same manner as the cash-generating units for the group. The carrying amount of investments in subsidiaries within each cash-generating unit is measured against the recoverable amount of investments in subsidiaries within this cash-generating unit.

SHARE IN SUBSIDIARIES	CURRENCY	SHARE CAPITAL (IN 1 000)	OWNERSHIP%	CARRYING VALUE (IN NOK MILLION)
Norske Skog Bruck GmbH, Bruck, Austria	EUR	67 000	99.9%	1 000
Norske Skog Golbey SAS, Golbey, France	EUR	62 365	100.0%	1 715
Norske Skog Skogn AS, Levanger, Norway	NOK	115 230	100.0%	615
Norske Skog Saugbrugs AS, Halden, Norway	NOK	115 230	100.0%	1 301
Norske Skog Industries Australia Ltd., Sydney, Australia	AUD	340 000	100.0%	0
Nornews AS, Oslo, Norway	NOK	300	100.0%	26
Cebina AS, Oslo, Norway	NOK	30	100.0%	0
Cebico AS, Oslo, Norway	NOK	30	100.0%	0
Total				**4 657**

The investment in subsidiaries have decreased from NOK 5 163 million to NOK 4 657 million during 2024. The decrease is due to new paid in capital of EUR 10 million and impairment of NOK 387 in Norske Skog Bruck GmbH and impairment of NOK 237 million in Norske Skog Industries Australia Ltd. See Note 7. For further information with respect to impairment testing see Note 18 Property, plant and equipment in the consolidated financial statements.



11. Equity

Accounting policies
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1 January 2024 Norske Skog ASA held 9 426 470 own shares, representing 10% of the share capital. The shares were cancelled by capital reduction in 2024.

The share capital of Norske Skog ASA on 31 December 2024 was NOK 339 million (NOK 377 million) and consisted of 84 838 235 shares each with a nominal value of NOK 4.00. All shares have been created under the Norwegian Public Limited Companies Act and are validly issued and fully paid.

Byggma ASA/Drangsland Kapital AS/Investor AS is the largest shareholder with a combined ownership of 26.84% on 31 December 2024.

The 20 largest shareholders at 31 December 2024 are as follows:

20 LARGEST SHAREHOLDERS AT 31.12.2024	NUMBER OF SHARES	OWNERSHIP%
Byggma ASA	17 430 431	20.55
UBS Europe SE	7 595 017	8.95
Drangsland Kapital AS	5 316 148	6.27
Intertrade Shipping AS	3 000 000	3.54
J.P. Morgan SE	2 819 755	3.32
Verdipapirfondet Fondsfinans Norge	2 802 177	3.30
Voldstad Eiendom AS	2 200 984	2.59
State Street Bank And Trust Comp	1 075 296	1.27
Nordnet Bank AB	867 034	1.02
VPF Sparebank 1 Norge Verdi	750 000	0.88
Inak 3 AS	700 000	0.83
Pershing Securities Limited	688 585	0.81
Saxo Bank A/S	585 469	0.69
J.P. Morgan SE	566 669	0.67
SES AS	500 000	0.59
Gåsø Næringsutvikling AS	425 000	0.50
Goldman Sachs & Co. LLC	400 000	0.47
Sparebank 1 Markets AS	389 976	0.46
Verdipapirfondet Dnb SMB	377 154	0.44
Ronja Capital Investment AS	375 000	0.44
Other shareholders	35 973 540	42.40
Total	**84 838 235**	**100.00**

The shareholder list is extracted from VPS. Whilst every reasonable effort is made to verify all data VPS cannot guarantee the accuracy of the analysis.

SHARES OWNED BY MEMBERS OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2024	NUMBER OF SHARES
Arvid Grundekjøn	101 617
Trine-Marie Hagen	0
Terje Sagbakken	0
Christoffer Bull	0
Tone Wille	0

SHARES OWNED BY MEMBERS OF CORPORATE MANAGEMENT AT 31 DECEMBER 2024	NUMBER OF SHARES
Geir Drangsland [1)]	22 774 079
Tord Steinset Torvund	11 000
Robert Wood	5 263
Even Lund	0
Einar Blaauw	0

1) Geir Drangsland is the controlling shareholder of Investor AS. The company's largest shareholders, Byggma ASA and Drangsland Kapital AS are under common control of Investor AS and the three companies holds 22 774 079 shares combined. See also Note 31 Related parties in the consolidated financial statements.

12. Maturity of interest-bearing liabilities

MATURITY OF THE COMPANY'S DEBT AT 31.12.2024	INTEREST	BOND	TOTAL
2025	130	0	130
2026	130	0	130
2027	130	0	130
2028	131	0	131
2029	65	1 400	1 465
Total	**587**	**1 400**	**1 987**

MATURITY OF THE COMPANY'S DEBT AT 31.12.2023	INTEREST	BOND	TOTAL
2024	147	0	147
2025	147	0	147
2026	36	1 530	1 566
Total	**330**	**1 530**	**1 860**

The table above shows contractual scheduled repayments.

During 2024 the EUR 150 million bond was refinanced with a NIBOR+450 bps NOK 1 600 million senior unsecured bond. On 31 December 2024 the outstanding amount under the NOK 1 600 million senior unsecured bond, was NOK 1 400 million.

For more information, see Note 29 Interest-bearing liabilities in the consolidated financial statements.

13. Intercompany receivables and liabilities

	31.12.2024	31.12.2023
Current intercompany receivables		
Nornews AS	2	2
Norske Skog Bruck GmbH	608	393
Norske Skog Golbey SAS	0	6
Norske Skog Skogn AS	0	194
Saugbrugs Bioenergi AS	32	6
Norske Skog (Australasia) Pty Ltd	168	221
Total	**811**	**820**
Current intercompany liabilities		
GV Bois SAS	1	3
Norske Skog (Österreich) GmbH	23	19
Norske Skog (Schweiz) AG	1	3
Norske Skog Deutschland GmbH	71	67
Norske Skog France SARL	54	45
Norske Skog Golbey SAS	186	1 467
Norske Skog Saugbrugs AS	160	323
Norske Skog Skogn AS	371	14
Norske Skog (UK) Ltd.	30	23
Total	**896**	**1 964**

All non-current intercompany debt falls due for repayment at least 12 months after the balance sheet date. The majority of this debt has a considerably longer term to maturity.

14. Guarantees

The company has issued bank guarantees in an amount of NOK 4 million at 31 December 2024 (NOK 4 million). In addition, the company has issued corporate guarantees with an outstanding amount of NOK 3 129 million at 31 December 2024 (NOK 2 988 million) on behalf of Norske Skog Saugbrugs AS, Saugbrugs Bioenergi AS, Norske Skog Skogn AS, Norske Skog Bruck GmbH, Norske Skog Golbey SAS and Norske Skog Paper Mills (Australia) Ltd.

15. Related parties

A description of transactions with related parties is given in Note 31 Related parties in the consolidated financial statements.

16. Events after the balance sheet date

There have been no events after the balance sheet date with significant impact on the financial statements for 2024.

See Note 32 Events after the balance sheet date in the consolidated financial statements for other post balance sheet events.

Statement from the board of directors and the CEO

IN COMPLIANCE WITH SECTION 5-5 IN THE SECURITIES TRADING ACT

We declare that to the best of our knowledge, the financial statements for the period 1 January to 31 December 2024 have been prepared in accordance with applicable accounting standards, and that the information in the financial statements give a true and fair view of the company's and the group's assets, liabilities, financial position and result as a whole.

We confirm that the board of directors' report provides a true and fair view of the development and performance of the business and the position of the company and the group, as well as a description of the key risks and uncertainty factors which the company and the group is facing.

We further confirm that the board of directors' report has been prepared in accordance with and meet the requirements of the European sustainability reporting standards (ESRS), the Norwegian accounting act and article 8 of the taxonomy regulation.

SKØYEN, 18 MARCH 2025
THE BOARD OF DIRECTORS OF NORSKE SKOG ASA

Arvid Grundekjøn Chair	Trine-Marie Hagen Board member	Terje Sagbakken Board member
Christoffer Bull Board member	Tone Wille Board member	Geir Drangsland CEO

To the General Meeting of Norske Skog ASA

Independent Sustainability Auditor's Limited Assurance Report

Limited Assurance Conclusion

We have conducted a limited assurance engagement on the consolidated sustainability statement of Norske Skog ASA (the «Company») included in the Sustainability statement of the Board of Directors' report (the «Sustainability Statement»), as at 31 December 2024 and for the year then ended.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Statement (the «Process») is in accordance with the description set out in the sections "3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)" and "4. Impacts, risks and opportunity management" within the General Disclosures chapter; and

- compliance of the disclosures in the subsection "EU taxonomy" in the Climate change section of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the «Taxonomy Regulation»).

Basis for Conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information («ISAE 3000 (Revised)»), issued by the International Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Sustainability Auditor's Responsibilities* section of our report.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements as required by relevant laws and regulations in Norway and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information included in the Sustainability Statement was not subject to an assurance engagement. Our conclusion is not modified in respect of this matter.

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Responsibilities for the Sustainability Statement

The Board of Directors and the Managing Director (Management) are responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process in the sections "3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)" and "4. Impacts, risks and opportunity management" within the General Disclosures chapter of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with the Norwegian Accounting Act section 2-3, including:

- compliance with the ESRS;
- preparing the disclosures in the subsection "EU taxonomy" in the Climate change section of the Sustainability Statement, in compliance with the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that Management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Sustainability Auditor's Responsibilities

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Statement, in relation to the Process, include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process set out in the sections "3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)" and "4. Impacts, risks and opportunity management" within the General Disclosures chapter .

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability Statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability Statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by the Company was consistent with the description of the Process set out in the sections "3. Strategy, stakeholders, material impacts, risks and opportunities (IRO)" and "4. Impacts, risks and opportunity management" within the General Disclosures chapter .

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In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement by:
    - Obtaining an understanding of the Group's control environment, processes, control activities and information system relevant to the preparation of the Sustainability Statement, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control; and
    - Obtaining an understanding of the Group's risk assessment process;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and other sections of the Board of Directors' report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information;
- Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement;
- Evaluated whether information about the identified taxonomy-eligible and taxonomy-aligned economic activities is included in the Sustainability Statement; and
- Performed inquiries of relevant personnel and substantive procedures on selected taxonomy disclosures included in the Sustainability Statement.

Oslo, 18 March 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant – Sustainability Auditor

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To the General Meeting of Norske Skog ASA

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Norske Skog ASA, which comprise:

- the financial statements of the parent company Norske Skog ASA (the Company), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and
- the consolidated financial statements of Norske Skog ASA and its subsidiaries (the Group), which comprise the balance sheet as at 31 December 2024, the income statement, statement of comprehensive income, statement of changes in group equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion

- the financial statements comply with applicable statutory requirements,
- the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with simplified application of international accounting standards according to section 3-9 of the Norwegian Accounting Act, and
- the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU.

Our opinion is consistent with our additional report to the Audit Committee.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company and the Group as required by relevant laws and regulations in Norway and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

To the best of our knowledge and belief, no prohibited non-audit services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided.

We have been the auditor of Norske Skog ASA for 3 years from the election by the general meeting of the shareholders on 21 April 2022 for the accounting year 2022.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Last year's key audit matter concerning the Accounting for the Insurance Settlement Related to the Rockslide Incident at Norske Skog Saugbrugs was no longer an area of focus, as the accounting treatment of the insurance claim was settled by management in 2023.

Key Audit Matters	How our audit addressed the Key Audit Matter
Valuation of Commodity Contracts to Fair Value	
Being a paper producer with significant electricity consumption, the Group is exposed to uncertainty related to changes in electricity market prices. Thus, the price of electricity has a significant impact on the Group's results. The Group price-protects part of its future electric power consumption using physical energy commodity contracts. Policies are established to manage the risks arising from these contracts. Commodity contracts classified as financial instruments within the scope of IFRS 9 are related to energy contracts in Norway. To calculate the fair value of the commodity contracts, management uses a complex model with several input factors. Fair value of commodity contracts recognised in the balance sheet is calculated by using quotes from actively traded markets when available. Otherwise, price forecasts from acknowledged external sources are used. The fair value of commodity contracts is especially sensitive to future changes in energy prices. Accounting for financial instruments used to hedge electricity expenses is a key matter in our audit due to the complexity of management's calculations, and the significant impact on the Group's results from changes in fair value. Management explains the accounting of electricity contracts in notes 5, 12, 21, 22, 23 and 30 to the consolidated financial statements.	During our audit, we mapped and assessed the design of the Group's internal controls related to trading, monitoring, and accounting of electricity commodity contracts. We also assessed the Group's accounting principles for financial instruments against requirements in the IFRS Accounting Standards, particularly IFRS 9. We interviewed management to understand how they calculated the fair value of the commodity contracts, including how judgment was applied. Further, we evaluated the appropriateness of the model used by comparing to models generally used for valuation of commodity contracts and performed a technical recalculation of the valuation. We tested the completeness, existence, and valuation of the commodity contracts by obtaining and understanding the underlying agreements. Further, we tested the accuracy of the input factors including future electricity prices, Electricity Price Area Differentials, discount rates, paper prices, pulpwood prices, and currency assumptions by comparing to forecasts from external sources such as Nasdaq, Reuters, Fastmarkets Risi, Nord Pool, Statistics Norway, and the International Monetary Fund. We discussed and challenged management's assumptions and use of judgment by evaluating whether these were used neutrally and consistently in the valuation and in comparison, to valuations performed in prior periods. We also assessed and found that the information in the notes was sufficient and comprehensive.

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Other Information

The Board of Directors and the Managing Director (management) are responsible for the information in the Board of Directors' report and the other information accompanying the financial statements. The other information comprises information in the annual report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the information in the Board of Directors' report nor the other information accompanying the financial statements.

In connection with our audit of the financial statements, our responsibility is to read the Board of Directors' report and the other information accompanying the financial statements. The purpose is to consider if there is material inconsistency between the Board of Directors' report and the other information accompanying the financial statements and the financial statements or our knowledge obtained in the audit, or whether the Board of Directors' report and the other information accompanying the financial statements otherwise appears to be materially misstated. We are required to report if there is a material misstatement in the Board of Directors' report or the other information accompanying the financial statements. We have nothing to report in this regard.

Based on our knowledge obtained in the audit, it is our opinion that the Board of Directors' report

- is consistent with the financial statements and
- contains the information required by applicable statutory requirements.

Our opinion on the Board of Directors' report applies correspondingly to the statement on Corporate Governance.

Our opinion on whether the Board of Directors' report contains the information required by applicable statutory requirements, does not cover the Sustainability Statement, on which a separate assurance report is issued.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation of financial statements of the Company that give a true and fair view in accordance with simplified application of international accounting standards according to the Norwegian Accounting Act section 3-9, and for the preparation of the consolidated financial statements of the Group that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU. Management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error. We design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Report on Compliance with Requirement on European Single Electronic Format (ESEF)

Opinion

As part of the audit of the financial statements of Norske Skog ASA, we have performed an assurance engagement to obtain reasonable assurance about whether the financial statements included in the annual report, with the file name Norske_Skog_Annual_Report_2024_ESEF.zip, have been prepared, in all material respects, in compliance with the requirements of the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) and regulation pursuant to Section 5-5 of the Norwegian Securities Trading Act, which includes requirements related to the preparation of the annual report in XHTML format, and iXBRL tagging of the consolidated financial statements.

In our opinion, the financial statements, included in the annual report, have been prepared, in all material respects, in compliance with the ESEF regulation.

Management's Responsibilities

Management is responsible for the preparation of the annual report in compliance with the ESEF regulation. This responsibility comprises an adequate process and such internal control as management determines is necessary.

Auditor's Responsibilities

For a description of the auditor's responsibilities when performing an assurance engagement of the ESEF reporting, see: https://revisorforeningen.no/revisjonsberetninger

Oslo, 18 March 2025
PricewaterhouseCoopers AS

Herman Skibrek
State Authorised Public Accountant

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Alternative performance measures

Alternative performance measures (APM) is defined as a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specific in the applicable financial reporting framework (IFRS). The company uses EBITDA, EBITDA margin and return on capital employed (annualised) to measure operating performance on group level. It is the company's view that the APMs provides the investors relevant and specific operating figures that may enhance their understanding of the performance. EBITDA, EBITDA margin, variable costs, fixed costs, return on capital employed and net interest-bearing debt are defined by the company below.

EBITDA: Operating earnings for the period, before restructuring expenses, depreciation and amortisation and impairment charges, derivatives and other fair value adjustments, determined on an entity, combined or consolidated basis. EBITDA is used for providing consisting information of operating performance and cash generating which is relative to other companies and frequently used by other stakeholders.

NOK MILLION	2024	RESTATED 2023
Operating earnings	-60	934
Restructuring expenses	16	32
Depreciation	481	464
Impairments	121	27
Derivatives and other fair value adjustments	178	605
EBITDA	**736**	**2 062**

EBITDA margin:
EBITDA/total operating income. EBITDA margin assist in providing a more comprehensive analysis of operating performance relative to other companies.

NOK MILLION	2024	RESTATED 2023
EBITDA	736	2 062
Total operating income	10 173	11 557
EBITDA margin	**7.2%**	**17.8%**

Variable costs: Distribution costs + cost of materials.

NOK MILLION	2024	RESTATED 2023
Distribution costs	1 005	845
Cost of materials	5 927	5 863
Variable costs	**6 932**	**6 708**

Fixed costs:
Employee benefit expenses + other operating expenses.

NOK MILLION	2024	RESTATED 2023
Employee benefit expenses	1 702	1 768
Other operating expenses	803	1 019
Fixed costs	**2 505**	**2 787**

Return on capital employed (annualised):

(Annualised EBITDA – annualised capital expenditure)/capital employed (average).

NOK MILLION	2024	RESTATED 2023
EBITDA	736	2 062
Capital expenditure	1 558	3 084
Average capital employed	10 103	8 172
Return on capital employed (annualised)	**-8.1%**	**-12.5%**

NOK MILLION	2024	2023
Intangible assets	11	12
Tangible assets	9 723	8 567
Inventory	1 390	1 360
Trade and other receivables	1 253	1 635
Trade and other payables	-2 118	-2 256
Assets held for sale	631	0
Capital employed	**10 890**	**9 317**

Net interest-bearing debt:

Net interest-bearing debt consist of bond issued and other interest-bearing liabilities (current and non-current) reduced by cash and cash equivalent.

	2024	2023
Interest-bearing non-current liabilities	4 475	4 536
Interest-bearing current liabilities	771	517
Cash and cash equivalents	-1 127	-2 463
Net interest-bearing debt	**4 119**	**2 590**

Capital expenditure (capex):

Purchases of property, plant and equipment and intangible assets.

Maintenance capex:

Capex required to maintain the group's current business.

Norske Skog Golbey, pipes to the air condenser
Photo: Carsten Dybevig

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